FIRST LESSONS IN BOOK-KEEPING

J. THORNTON

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FIRST LESSONS
IN
BOOK-KEEPING.

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This book, though intended primarily as a companion and supplement to the Primer, can be used with any good text-book on the subject. It has nine distinctive features:—(1) The exercises are all *short* (most exercises in Book-Keeping are too long). (2) They are carefully *graduated* on a different plan to any the author has yet seen. (3) They are *classified* under distinct heads, so that one can find in a moment an exercise on any desired branch of the subject. (4) *Questions* are given on each exercise, not merely formal ones, but framed so as to set the wits to work. (5) There are also explanatory *notes*, not too many and not too lavish of information, but suggestive and helpful. (6) The exercises can be worked either with or *without shillings and pence*, answers being given for both ways of working. (7) *An exercise to a page*—throughout the book. (8) The number of the page and the number of the exercise *correspond*. (9) Editions can be had either *with answers* or without at the same price.

MACMILLAN AND CO., LONDON.

FIRST LESSONS

IN

BOOK-KEEPING

BY

J. THORNTON

"Book-keeping is the very Key of your position. The records of the Bankruptcy Court show how many colossal fortunes are wrecked, how many growing prospects are blasted, through ignorance of this vital part of commercial knowledge."—GEORGE MOORE'S *Address to the Commercial Travellers' Schools.* (Smiles's *Life of George Moore.*)

London
MACMILLAN AND CO.
AND NEW YORK
1891

RICHARD CLAY AND SONS, LIMITED,
LONDON AND BUNGAY.

Originally published elsewhere.
First Edition printed for Macmillan & Co., 1879; *Reprinted*, 1880, 1881; *with additions and corrections*, 1883; *January and October*, 1884; *with additions and corrections*, 1885, 1886, 1887; *Reprinted*, 1888.
With corrections, 1889, 1891.

PREFACE.

Teachers and others, who miss in this book some things which they have been accustomed to consider essential parts of the study of Book-keeping, will be inclined to feel surprise at these apparent deficiencies.

It may not therefore be out of place to explain that the design of this little manual is to make the Theory of Book-keeping sufficiently plain for children to understand it; and in order to do this, it appeared to the Author much more sensible not to interweave therewith troublesome Arithmetical Exercises in Practice or Bills of Parcels.

It is better (as every good teacher knows) to teach one thing at a time. That this wholesome truth has not been recognised in most of our School-books on Book-keeping, will probably help to account for the contempt which practical

men usually have for the teaching of this science in our Schools.

It is sometimes argued that it is superfluous to attempt to teach Book-keeping, as "every man has his own system"! This is true, and yet not true. There is but one system of Book-keeping, properly so called. The old distinction between Single and Double Entry is mischievous, just because it leads to the supposition that there are two distinct "systems." If once the Principle of Book-keeping is grasped, it may be applied to the peculiar circumstances of *any* Trade or Profession; for as widely as business occupations differ, so diverse are the applications of the Principle. Now, if by "systems of Book-keeping" we mean the various applications of the one principle, of course the objection above stated holds good. For which "system" should we begin to teach? the Banker's? the Manufacturer's? the Merchant's? the Farmer's? the Professional man's? or the Tradesman's? It would be impossible to teach all! Their name is legion. It would be absurd to pick out one and teach that. They differ so widely from one another.

But the Principle is uniform—and therefore can be learnt by all. It is universally applicable—it is therefore *worth* learning by all.

It has been said that this book is written for children. Simple, (perhaps even childish) language and illustrations have been used, and repetition has been unhesitatingly employed wherever it has seemed that perspicuity might be gained thereby.

Nevertheless it may not be quite unreasonable to hope, that some of those, who have laid most of their School-books on the shelf, will be glad to meet with a clearer explanation of the principles of Book-keeping than any they have yet seen, and will find this little School-book of some service to them in spite of the simplicity of its style.

College House, Braintree,
Sept. 1879.

SECOND EDITION.

This Edition has been carefully revised and several improvements introduced. Lesson IV. has been much simplified, and a series of easy Exercises on Lessons III. and IV. has been added. An additional Lesson has been given on Bills and Cheques, with a view to making the book more useful in those schools where Book-keeping is taken up for the College of Preceptors and other Examinations.

In treating of this advanced branch of the subject, the Author has endeavoured to maintain the same simplicity of style that has been so widely appreciated in the earlier Lessons.

College House, Braintree,
February, 1883.

THIRD EDITION.

This Edition contains the *Answers to all the Exercises throughout the book.*

A series of 200 Questions and Answers, suitable for *viva voce* examination work, has also been added.

The Answers have been arranged so that they can readily be removed if thought desirable.

College House, Braintree,
October, 1885.

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THE THREE ESSENTIALS.

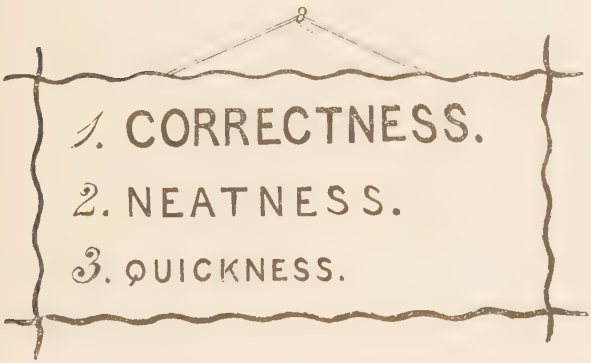
In Book-keeping:

First. Learn to be CORRECT.

Then Learn to keep the Books NEAT and CLEAN.

Lastly: Learn to be QUICK.

"*The Three Essentials.*"



1. Attend to the above in their proper *order*
2. Do not consider yourself a "good Book-keeper" until you can remember and practice *all three* at once.

The Author recommends the adoption of the following

COURSE FOR SCHOOLS.

First Term. LESSONS I.—IX., with the Exercises thereon, to be worked out in Exercise Book No. 1. One Lesson should be taken each week, together with *as many Exercises on that lesson as the master thinks necessary*. It is *not* necessary to work out *all* the Exercises on every Lesson. The Term's work to be brought to a close by a recapitulation of the nine lessons, with Questions thereon, as given at the end of the book.

Second Term. LESSONS X.—XII., the Test Exercises being worked out in Exercise Book No. 2. The first seven exercises (A—G) should be done in the first three weeks, two of the remaining Exercises being taken each week until the end of the Term. Finish by recapitulatory Questions at the end of the book.

Third Term. LESSONS XIII. and XIV., the Exercise thereon being worked out in Exercise Book No. 4, in the manner there explained. Great pains should be taken to ensure accuracy and neatness in this Exercise. One slight error may cause great confusion, if not immediately discovered and corrected. One "month" should be balanced and "proved" every week.

Fourth Term. LESSON XV., the Exercises being worked out in Exercise Book No. 3. The Questions on Lessons XIII. to XV., on page 205, will conclude the work of the Term.

Fifth Term. Thornton's Examination Papers (see notice facing Title) should now be worked out on ordinary ruled foolscap.

Sixth Term. For more advanced work pupils should attempt the exercises at the end of Hamilton and Ball's *Book-keeping*, published in the Clarendon Press Series, and Medhurst's *Examination Papers in Book-keeping* (Bell and Son).

A list of Exercise Books, with prices, will be found opposite the Title-page.

LESSON I.

What "Book-keeping" Means.

I want you, for the first lesson, to try and understand what Book-keeping really means. To begin—pray do not fancy that there is nothing to learn except to write nicely, though a neat and distinct style of writing will be very useful to you. For you will have to make "entries" of all kinds in various books, and to *copy* these "entries" in a particular manner into other books. This copying entries from one book to another is called "posting"; and, if you should ever be a clerk, you will find what a great deal of time and care "posting" requires.

But you may know how to "enter" and "post" very rapidly and correctly, and yet not really understand much about Book-keeping.

What then does Book-keeping teach? Two things.

(Firstly)—How to keep your books in such a way that you can readily find in them an answer to every question about your business, which you may want an answer to. If you will *think*

you will soon see what kinds of questions I mean; or you can look at the headings to Lessons 5, 6, 7, and 8.

Moreover, Book-keeping gives you the answers to these and similar questions, in such a simple and straightforward way, that it saves a world of trouble, by telling you precisely what you want to know, in the most ready and convenient manner.

But, (secondly)—the *great* advantage—the true "science" of Book-keeping is, that it shows you how to **Prove your Books,** that is, to see that all your work is correct, so that you not only know *exactly how much you are worth*, and how much *profit* you have made, but are sure that you are RIGHT.

You will say, "If I can learn how to do this, it is something worth learning! But is it really *possible?*" Certainly it is. Just as it is possible to do a long sum in compound multiplication and "prove" it by division.*

Now I want you to see that the most essential

* It is desirable at first, to establish the truth of the above statement AS A GENERAL RULE, without burdening the mind of the young scholar by "exceptions."

part of Book-keeping is knowing HOW TO PROVE. And in order that you may learn to do this as quickly as possible, I have, in this little book, left out many things which you will have to understand by and by.

I have also supposed that you have gone into business for yourself, and have done a little buying and selling, and receiving money, and paying it away. These things are called "transactions," and I have given you, instead of a long series of eighty or a hundred transactions, taking six months to get through, a very short series of only *three* to begin with *(see page 149)*. Because, if you can prove your Books when there are only three or four things to enter, you will soon learn to do the same thing with thirty or forty;—just as, when you learnt to swim, you found it very easy work, after you could once go half-a-dozen yards alone. And I hope that when you have finished these lessons, you will be able, with very little trouble, to make the proper entries of the "transactions" in their proper places, and to *prove your own work* to be *correct*.

If you can do this, several advantages will be gained:

1. You will not want a key to tell you whether you are right.

2. You will be able to work without troubling your teacher too often.

3. You will feel that you really know more about "Book Keeping" than a great many grown up people who are in business for themselves.

4. If you can enter six transactions and "prove," you can (by taking extra care) do the same with twelve, or twenty, or indeed any number of transactions.

5. If you **prove your Books** when you go into business for yourself, (as I hope you will, whatever business you follow,) you will learn to place confidence in them; and if any question or dispute arises, between your Books, and anyone else's, (as often happens in real life,) you will feel pretty sure that your own Books are RIGHT, and the others WRONG.

LESSON II.

How to Balance a Dr. and Cr. Account.

You will see what is meant by a Dr. and Cr. account, if you look at the examples given at the end of this lesson. Remember :—

1. "Dr." stands for "Debtor."
2. "Cr." stands for "Creditor."
3. "Dr." is *always* put on the left-hand side.
4. "Cr." is *always* put on the right-hand side.
5. Always say "Dr. To."
6. Always say "Cr. By."

You will understand where to write the words "to" and "by" if you look once more at the examples below. You must now learn the following rules *by heart*, reading the explanation, and afterwards working out the exercises.

RULES FOR BALANCING AN ACCOUNT.

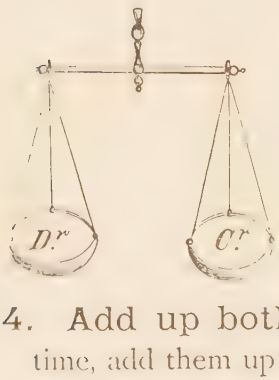
1. Add up both sides.
2. Find the difference.
3. Put it down.
4. Add up both sides again.
5. Rule off.
6. Bring the balance down.

EXPLANATION.

1. **Add up both sides,** (in your head, or on a piece of paper, or anywhere *except* in the book).

2. **Find the difference,** (of course by subtracting the smaller amount from the greater).

3. **Put it down,** *on the lighter side—calling it "balance."* (This must, as you will see, if you think, make the two sides equal. It is like holding up a pair of balances, and putting extra weights in the lighter scale, until the two sides weigh the same).



4. **Add up both sides again.** (This time, add them up *in the book*, and on the *same line*. *Now*, the two totals will be the same. If not, you have made some mistake.)

5. **Rule off.** (Notice that ruling off comes *after* adding up. The manner of ruling off can only be learnt by an attentive study of the examples given. Let the lines be *thin—even—straight*, and double lines close together)

6. Bring the balance down. (Always to the opposite side).

EXAMPLE.

In order to show you very plainly how the above rules are to be used, we will take an account, and "balance" it, pausing at each step to see that we clearly understand what we are doing.

Dr. *Cash Account.* *Cr.*

	£	s.	d.		£	s.	d.
Jan. 1 To Cash in hand	50	0	0	Jan. 7 By F. Mayhew.	9	9	0
„ 4 „ R. Smith ...	14	10	0	„ 8 „ E. Andrews.	13	0	0
„ 17 „ J. Downing .	27	12	6				
„ 20 „ W. Tunbridge	16	16	0				

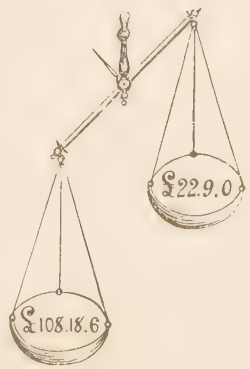
We are asked to "balance" the above account.

Rule 1. **Add up both sides.**

Dr. side £108 18*s.* 6*d.*
Cr. side £ 22 9*s.* 0*d.*

The scales are at present very unevenly balanced. I must throw more weight into the Cr. side.

FIG 1.



Rule 2. **Find the difference.** Or, in other words, see how much extra weight is required in the Cr. scale to make the two "balance."

Dr. side	£108	18	6
Cr. „	22	9	0
Difference	86	9	6

Notice, that thus far we have not touched the account itself at all. We have only done some adding and subtracting, in order to find the difference. You will remember that this *difference* is called the "balance."

Rule 3. **Put it down on the lighter side.** Now the *lighter* side means that which has the smaller *total*, and is not always the side which has the fewer entries. We proceed then to put the balance down (with date, Jan. 31):—

FIG. 2.

Dr. *Cash Account,* *Cr.*

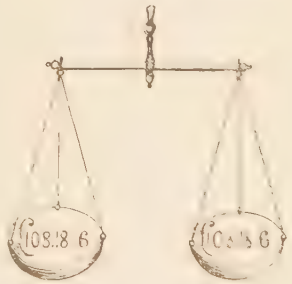
		£	s.	d.			£	s.	d.
Jan. 1	To Cash in hand	50	0	0	Jan. 7	By F. Mayhew.	9	9	0
„ 4	„ R. Smith ...	14	10	0	„ 8	„ E. Anderson	13	0	0
„ 17	„ J. Downing.	27	12	6	„ 31	„ Balance.....	86	9	6
„ 20	„ W. Tunbridge	16	16	0					

Rule 4. Add up both sides in the Book.

Dr. *Cash Account.* *Cr.*

		£	s.	d.			£	s.	d.
Jan. 1	To Cash in hand	50	0	0	Jan. 7	By F. Mayhew	9	9	0
„ 4	„ R. Smith ...	14	10	0	„ 8	„ E. Andrews.	13	0	0
„ 17	„ J. Downing.	27	12	6	„ 31	„ Balance	86	9	6
„ 20	„ W. Tunbridge	16	16	0					
		£108	18	6			£108	18	6

Notice that the two totals, £108 18*s.* 6*d.*, are *on the same line.* Now the scales are equally poised.



CAUTION. Never be tempted to "save trouble" by copying your totals from your first casting on paper. Always *add up* a second time in the book.

Rule 5. Rule off.

Dr. *Cash Account.* *Cr.*

		£	s.	d.			£	s.	d.
Jan. 1	To Cash in hand	50	0	0	Jan. 7	By F. Mayhew	9	9	0
„ 4	„ R. Smith ...	14	10	0	„ 8	„ E. Andrews.	13	0	0
„ 17	„ J. Downing .	27	12	6	„ 31	„ Balance ...	86	9	6
„ 20	„ W. Tunbridge	16	16	0					
		£108	18	6			£108	18	6

Rule 6. Bring the balance down to the opposite side and below the double line (writing Feb. 1 in the date column).

Dr. *Cash Account.* *Cr.*

1885	£	s.	d.	1885	£	s.	d.
Jan. 1 To Cash in hand	50	0	0	Jan. 7 By F. Mayhew.	9	9	0
,, 4 ,, R. Smith ...	14	10	0	,, 8 ,, E. Andrews.	13	0	0
,, 17 ,, J. Downing.	27	12	6	,, 31 ,, Balance.....	86	9	6
,, 20 ,, W. Tunbridge	16	16	0				
	£108	18	6		£108	18	6
Feb. 1 To Balance.....	86	9	6				

The "*Balance*" that is thus brought down forms the first entry for the next month (or week, or year).

At the end of the second period the account would be *again* "balanced," as in the following example, and so on, month after month. (See Exercises 7, 8, 9, 10.)

Dr. *Cash Account.* *Cr.*

1885	£	s.	d.	1885	£	s.	d.
Jan. 1 To Cash in hand	50	0	0	Jan. 7 By F. Mayhew.	9	9	0
,, 4 ,, R. Smith....	14	10	0	,, 8 ,, E. Andrews.	13	0	0
,, 17 ,, J. Downing.	27	12	6	,, 31 ,, Balance	86	9	6
,, 20 ,, W. Tunbridge	16	16	0				
	£108	18	6		£108	18	6
Feb. 1 To Balance.....	86	9	6	Feb. 3 By Goods	20	0	0
,, 2 ,, Goods.....	30	0	0	,, 7 ,, T. E.....	10	0	0
				,, 12 ,, Self.....	5	0	0
				,, 19 ,, Glenny	4	0	0
				,, 28 ,, Balance	7	9	6
	£116	9	6		£116	0	6
Mar. 1 To Balance.....							

☞ When there is no more room, or only a single line left on the page, a new heading is made for the account on the next or some other page; and the "balance," instead of being carried down, is carried away. Whether the balance is carried "down" or "away," it is ALWAYS carried to the opposite side.

N.B.—A Balance that is first entered on the Cr. side, and then "brought down" to the Dr. side, is called a "*Debit Balance.*"

EXERCISES ON LESSON II.

Balance the following accounts :—

(1.)

Dr. *Cash Account.* *Cr.*

1878	£	s.	d.	1878	£	s.	d.
Feb. 2 To Cash in hand	74	0	0	Feb. 3 By W. Clowes	40	0	0
,, 10 ,, T. Rolfe	18	0	0	,, 11 ,, F. Britton.	57	0	0
,, 15 ,, W. Johnston	32	0	0				
,, 20 ,, N. Orfeur ...	9	0	0				

(2.)

Dr. *Goods Account.* *Cr.*

1878	£	s.	d.	1878	£	s.	d.
Mar. 3 To Goods in hand	100	0	0	Mar. 8 By Sales.....	99	10	0
,, 10 ,, Purchases....	150	0	0	,, 12 ,, Ditto.....	84	18	0
,, 21 ,, Ditto	75	0	0				
,, 31 ,, Gross Profit.	40	0	0				

(3.)

Dr. *London and County Bank.* *Cr.*

1878	£	s.	d.	1878	£	s.	d.
Apl. 1 To Balance ...	224	3	9	Apl. 3 By Clarkson...	24	10	0
,, 11 ,, Cash	100	0	0	,, 5 ,, Jackson ...	30	18	1
				,, 8 ,, Thompson.	50	0	0
				,, 17 ,, Wilson	7	17	0
				,, 27 ,, Johnson ...	13	15	9

(4.)

Dr. *R. Brown and Co.* *Cr.*

1878	£	s.	d.
May 2 To Goods.....	141	7	6
,, 7 ,, Ditto	22	9	3
,, 11 ,, Ditto	72	10	0
,, 13 ,, Ditto	89	9	0

(Proceed with the above just as you would in any other case. Of course you will not have to "subtract" in order to find the "difference.")

(5.)

Dr. *Lambert and Co.* *Cr.*

1878		£	s.	d.	1878		£	s.	d.
June 3	To Cash.....	100	0	0	June 1	By Goods.....	260	10	10
,, 6	,, Bill	160	10	10	,, 15	,, Ditto	313	12	4
,, 16	,, Ditto.....	313	12	4	,, 26	,, Ditto	82	16	8
,, 27	,, Cash.....	50	0	0					

(6.)

Note.—When there is NO difference between the two sides of an account, they may be added up and ruled off according to Rules 4 and 5. In such a case as this, there is no "balance" to bring down, and the account is said to be "closed."

Dr. *Thomson and Sons.* *Cr.*

1878		£	s.	d.	1878		£	s.	d.
July 7	To Goods.....	33	6	8	July 5	By Goods	150	0	0
,, 8	,, Cash	66	13	4	,, 6	,, Ditto.....	75	10	0
,, 10	,, Ditto.....	20	0	0	,, 7	,, Ditto.....	24	10	0
,, 22	,, Ditto	30	0	0	,, 9	,, Ditto.....	47	16	7
,, 30	,, Bill	147	16	7					

(7.) Balance the following account :—

Dr. *Cash Account.* *Cr.*

1885		£	s.	d.	1885		£	s.	d.
Jan. 1	To Balance ...	100	0	0	Jan. 4	By Gower	20	0	0
,, 15	,, Freeborn .	50	0	0	,, 13	,, Orbell	14	0	0
					,, 29	,, Garrett.....	33	0	0

(8.) Add the following entries to the account you have just balanced, and then balance again (see page 12). On the Dr. side, Feb. 4, S. Oates, £30, and on the Cr. side, Feb. 10, Barham, £25; Feb. 16, Fairhead, £19; Feb. 27, Self, £10.

(9.) Add two entries to the Cr. side of Exercise 5, and balance again.

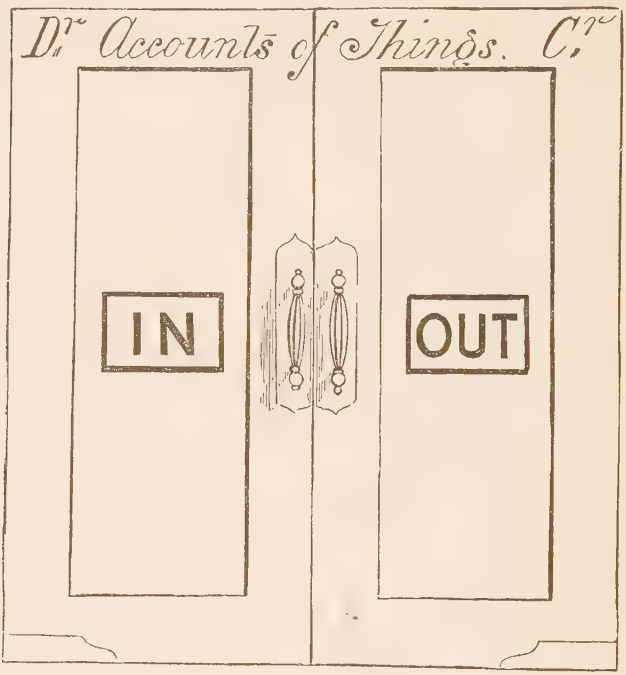
(10.) Add one entry to the Dr. side of Exercise 1, and balance again.

LESSON III.

"In and Out," or Accounts of THINGS.

There is a great difference between accounts of things and accounts of persons. The latter are called **personal**, and the former **real** accounts. If you wish to decide whether you ought to call an account "a **real** account," you have only to ask yourself whether the *heading* or name of the account is the name of a *thing*. Thus you would at once conclude that the accounts headed "Tea," "Coffee," "Cash," "Goods," "Shop Fixtures," &c., &c., are *real* accounts.

It will very much help you to understand these accounts, if you try to get a mental photograph of the following diagram to start with, and carry the same constantly in your mind's eye.



What does this mean? It means that all Cash, Goods, &c., coming **IN** must be put on the Dr. side of the account, and that all Cash, Goods, &c., going **OUT** must appear on the Cr. side. Thus for instance, in the Cash account on page (9), the entry "Cash in hand £50," means that on Jan. 1st, £50. came **IN**, or was *received* to

start with, and the next entry means that £14 10*s.* 0*d.* was received from R. Smith, on Jan. 4—and in short *all* the amounts on the Dr. side signify "Money," or "Cash" *received* or coming IN, whilst those on the Cr. side signify Cash going OUT, or *paid* away.

NOTE.— 1. The *Balance* of the Cash account represents the Cash in hand.

2. You cannot pay away *more* money than you receive! Try to think what follows from this, about the two sides of Cash account. If there is any balance, on which side *must* it fall?

"Goods" accounts are kept in the same way. The word "Goods" as used in Book-keeping stands for *anything* (no matter what), that is bought or sold for the purposes of trade. Goods that come IN are put on the Dr. side of Goods account, and goods that go OUT on the Cr. side.

Of course goods that come IN are goods that are bought, and goods that go OUT are goods that are sold, so that we shall see on the Dr. side of every Goods account a list of all *purchases*, and on the Cr. side a list of all *sales*.

When you are making out a Real account, you must connect (in your mind) the heading with the word "In" or "Out."

For example, in doing *Potatoes* account, ask the question, "Did the *Potatoes* come In or go Out?" not "Did the *Cash* come In or go Out?"

The question *Cash* In? or *Cash* Out? applies to only one account! Give me the name of that account.

EXERCISES ON LESSON III.

(1.) Make out Cash account from the following statement and "balance," showing the amount of Cash in hand on the last date given. I had in hand to start with, £127 10s. 0d.—Jan. 2, I paid Mr. Dick[illegible]n, £[illegible] 5s. 0d.—Jan. 3, I received from Drayton [illegible], £98 9s. 10d.—Jan. 5, I received from Mr. Dalton, £20.—Jan. 5, I paid Mr. Denham, £[illegible] 15s. 0d.—Jan. 6, I paid Mr. Doughty, £[illegible]—Jan. 7, I received from Mr. Deal, £89 1s. 6d.—Jan. 8, I received from Mr. Dash, 12s. 9d.

(2.) Make out Cash account and balance. Feb. 1, Cash in hand, £50.—Received on a/c Start, £30 4s. 7d.—Feb. 4, Paid Mr. Sa[illegible], £42 10s. 2d.—Feb. 7, Received from Mr. Short, £200.—Feb. 9, Paid Mr. Swift, £[illegible] 12s. 3d.—Feb. 11, Paid Mr. Shippey, £63 6s. 7d.—Feb. 12, Paid Mr. Steady, £9 9s. 0d.—Feb. 17, Received from Mr. South, £100.—Feb. 19, Paid Mr. Shallow, £12 2s. 4d.—Feb. 22, Paid Mr. Saintey, £5.—Feb. 25, Received of Mr. Scammell, 2s. 0d.—Feb. 28, Paid Mr. Saling, £11 11s. 0d.

(3.) Make out Cash account and balance. March 1, Cash in hand, £120.—March 3, Paid Trade Expenses, £10.—March 4, Paid Union Bank, £50.—March 6, Received of R. Turnbull, £90.—March 8, Paid W. Tranter, £75 12s. 0d.—March 9, Received for Goods sold, £25 10s. 6d.—(Say "Cash sales.) *N.B.—Remember that when the Cash comes* **IN** *the Goods go* **OUT**; *therefore if you were entering this in "Goods" account, you would enter it on the Cr. side, because it is "Goods"* **OUT**; *but in "Cash account" it goes on the Dr. side, because it is "Cash"* **IN**.—March 12, Paid for Goods bought £15 15s. 0d. (Say "Cash purchases.")

(4.) Begin Exercise IV. close underneath Exercise III., without leaving even a single blank line. Use the balance "brought down" from March as the first entry for April (see Example, page 12).—April 2, Sold Goods for Cash, £20—(consider whether this is Cash **IN** or Cash **OUT**).—April 4, Paid Mr. Elton, £16 6s. 0d.—April 7, Mr. Edgington pays me £10.—April 15, Bought Goods for Cash, £27 19s. 6d.—(Cash **IN** or Cash **OUT**?)—April 20, Paid Mr. Eltham, £66 9s. 0d.—April 22, Received from Union Bank, £50.—April 25, Paid Trade Expenses, £15 15s. 0d.

(5.) Make out "Goods account" from the following statement, but do not add up or balance:—

			£	s.	d.
July	1	Goods in hand (to begin with. Say "To stock in hand")	250	0	0
,,	31	Goods sold "on credit" (that is, sold but not paid for at the same time. Say "Credit Sales")	120	0	0
,,	,,	Goods sold for Cash (Say "Cash Sales")	77	9	5
,,	,,	Goods bought on Credit (Say "Credit Purchases")	150	0	0
,,	,,	Goods bought for Cash (Say "Cash Purchases")	35	10	0

(6.) Make out "Goods account," but do not add up or balance. (Jan.) Stock in hand, £721 18s. 4d.—Bought on Credit, £324 16s. 7d.—Bought for Cash, £20.—(Feb.) Sold on Credit, £295 10s. 2d.—Sold for Cash, £37 8s. 0d.—Bought on Credit, £82 3s. 6d.—(March)

Sold on Credit, £164 7s. 9d.—Sold for Cash, £22 2s. 9d.—Bought on Credit, £159 6s. 10d.—Bought for Cash, £45 13s. 4d.

(7.) Make out separate accounts (without balancing), for "Tea" and "Wine" from the following series of transactions :—

		£	s.	d.
Jan. 1	Tea on hand	595	14	8
,, ,,	Wine ,,	923	2	4
,, 5	Bought Wine of Mr. Bremer (Say "To Bremer £150.")	150	0	0
,, 17	Bought Tea of Mr. Nuttall	200	0	0
Feb. 12	Sold Tea to ,, Southall	250	0	0
,, 20	,, Wine ,, Bentall	500	0	0
Mar. 5	,, ,, ,, James	50	0	0
,, ,,	,, Tea ,, More	60	18	6
April 6	Bought Wine of Mr. Carpenter	110	0	0
,, 11	Sold ,, for Cash (Say "Cash Sales.")	13	4	5
,, 19	Bought Tea for Cash	20	0	0
,, 27	Sold ,, ,,	31	10	0

(8.) Make out an imaginary Cash account for the first three months of 1885, balancing at the end of each month, as in the Example on page 12, and showing that I had £50 Cash in hand on Jan. 1; £62 on Feb. 1; £119 on March 1; and only £5 on April 1.

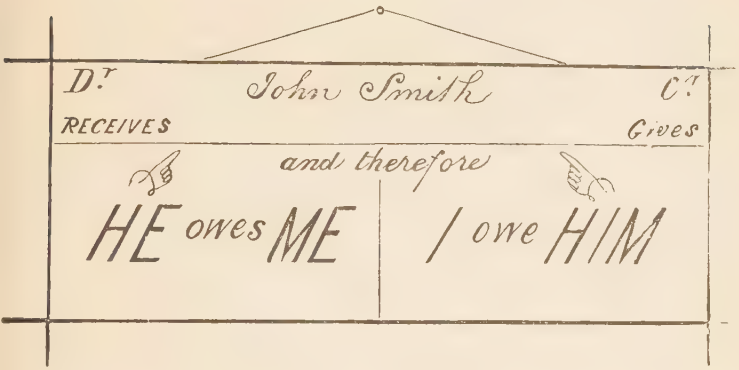
(9.) Explain carefully the *meaning* of *each* of the entries in both Cash accounts on page 12.

Additional Exercises on Lesson III. (suitable for Junior Classes) will be found on page 175.

LESSON IV.

"He owes me" and "I owe him."

I asked you to take a mental photograph for accounts of *things*. Let me ask you to take another for accounts of *persons*.



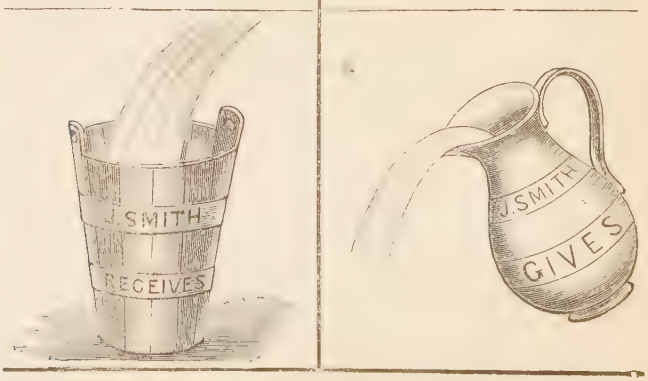
I think you will have small difficulty in understanding what this means. You are a linen-draper, we will say, and Mr. John Smith walks into your shop, and asks you "how his account stands." You turn to the account in your books headed "John Smith," and if you see £25 on the Dr. side, you say at once "Mr. Smith owes me" £25.—If you see £50 on the Cr. side, you say "I owe him" £50. But if you see an amount or several amounts on *both* sides, what are you to understand by this? If, for instance, you see by the entries on the Dr. side, that John Smith owes you £5, and at the same time you see from the entries on the Cr. side that you owe John Smith £1 10*s.* 0*d.* what would you say? Would it

not be very clear that *the two things considered together* come to this:—that John Smith owes you £3 10*s.* 0*d.*, or the *difference*, or "*balance*" of the two sides.

A man who owes me anything is called my "*Debtor.*" A man to whom I owe anything is called my "*Creditor.*" Therefore John Smith is my Debtor.

When you are making out a Personal account, you will have to take great care not to put any of your entries on the wrong side.

You can tell which is the right side by thinking of the following diagram:



and by attending to the following

RULE.

1. Ask yourself whether the Person named in the heading Receives (anything) or Gives (anything).

2. If he *Receives* anything (no matter whether it is Cash or Goods or anything else), write the name of the thing received and the amount on the *Dr.* side.

3. But if he *Gives* anything, write the name of the thing given and the amount on the *Cr.* side.

NOTE.—The *first* entry in a Personal Account is, generally, either "To Balance" or "By Balance."

This entry simply shows how much the Person named owed me (or how much I owed him) at starting.

☞ If you have to make an entry from the statement "Brown owes me," or from the statement "I owe Brown," write "To Balance" or "By Balance" as the case may be.

EXAMPLES.

Jan. 1. Smith owes me £50

"He owes me" (see page 21).

Therefore enter on Dr. side.

Dr.	*J. Smith.*	*Cr.*
To Balance	£50 1	

Jan. 2. Sold Smith Goods £75

This means "*on Credit*" (see page 19).

QUESTION. *Does Smith Receive or Give?*

Smith Receives. Therefore enter on Dr. side.

Dr. *J. Smith.* *Cr.*

To Balance	£50		
,, Goods.....	75		

Jan. 3. Smith pays me..... £100

QUESTION. *Does Smith Receive or Give?*

Smith Gives. Therefore enter on Cr. side.

Dr. *J. Smith.* *Cr.*

To Balance	£50	By Cash	£100
,, Goods.....	75		

Jan. 4. Bought Goods of Smith..... £200

This means "*on Credit*" (see page 19).

QUESTION. *Does Smith Receive or Give?*

Smith Gives. Therefore enter on Cr. side.

Dr. *J. Smith.* *Cr.*

To Balance	£50	By Cash	£100
,, Goods.....	75	,, Goods	200

Jan. 5. Paid Smith £140

QUESTION. *Does Smith Receive or Give?*

Smith Receives. Therefore enter on Dr. side.

Dr. *J. Smith.* *Cr.*

Jan. 1 To Balance	£50	Jan. 3 By Cash.....	£100
,, 2 ,, Goods	75	,, 4 ,, Goods	200
,, 5 ,, Cash	140		

If this account is now "balanced," and the balance brought down below the double line, it will be seen that "I owe Mr. Smith £35," and we say that Mr. Smith is my Creditor.

THREE CAUTIONS.

When you wish to ascertain the state of any account :—

1. Remember, it is the "Balance" that gives the answer.

2. When an account has been previously balanced and ruled off, look *only* at that part which comes *below the double line.*

3. Beware of hastily catching sight of the Total and calling *that* the Balance!

EXERCISES ON LESSON IV.

(1.) Make out Mr. Abbott's account from the following statement, and say whether he owed me or whether I owed him at the end of the month.

Jan.	1	Mr. Abbot owed me	£50
,,	8	I sold Mr. A. Goods*	10
,,	12	Mr. A. paid me	40
,,	17	Mr. A. sold me Goods*	20
,,	19	I lent Mr. A.	20
,,	20	Mr. A. sold me Goods *.....	90
,,	23	Paid Mr. A.	25
,,	26	Sold Mr. A. Goods*	30
,,	31	Paid Mr. A.	5

* *Not* for cash (or it would say so). The words "*on Credit*" must be understood in this and all similar cases.

Additional Exercises on Lesson IV. will be found on page 178.

LESSON V.

"WHAT AM I WORTH"?

There are some accounts in Book-keeping, which are neither accounts of *Things*, nor of *Persons*. These are called "nominal accounts." They answer some very important questions, and have a great deal to do with that "proving," which we have already talked about in our first lesson. In the next four lessons we shall find out:—

1st. The names of some of these "nominal accounts."

2nd. What questions they answer and how they answer them.

3rd. What they have to do with "Proving the Books."

The first *Nominal* account, which we have to consider is called "Capital Account," and answers the question "What am I worth?" You may regard this as YOUR OWN account, and should put at the top, first your own name, and then the words "Capital account":—thus

DR. FRANCIS HYDE, CAPITAL ACCOUNT. CR.

Now let us notice the way in which a Capital Account is kept, by observing Francis Hyde's Capital Account for the year 1877.

Mr. Hyde began business on the first of January with £100 Cash. By the usual method of buying Goods at one price, and selling them at a higher price, he has contrived during the year to earn exactly £100 profit. Now if Mr. Hyde could have lived upon air, he might have saved the whole of this £100, and so he would have been worth £200 at the end of the year; but he was obliged to spend something for food and clothes. The result is that he finds himself a little richer at the end of the year than he was at the beginning, **because he has earned more than he has spent.** Capital Account will show all this in the following way:—

On the Cr. side will appear,

1. What I *start* with.
2. What I have *earned.**

On the Dr. side will appear,

What I have *spent.*

(*i.e.* what Cash I have taken for PRIVATE expenses.)

* The way to ascertain the amount of my "earnings" or "net profit" is the subject of Lesson VII.

Dr. *F. Hyde Capital Account.* Cr.

1877		£	s.	d.
Mar. 31	To Cash ..... (For Personal Expenses.)	20	0	0
June 30	„ do	20	0	0
Sep. 30	„ do	20	0	0
Dec. 31	„ do	20	0	0
„ „	*To BALANCE* card. down ... (to begin next year with)	120	0	0
		£200	0	0

1877		£	s.	d.
Jan. 1	*By BALANCE.* (i. e. what I had to start with, or what I was worth on Jan 1.)	100	0	0
Dec. 31	By Net Profit for 1877 ... ("Net" Profit means *clear* profit —after all losses have been allowed for.)	100	0	0
		£200	0	0
1878				
Jan. 1	By Balance brot. down	120	0	0

The balance on December 31st, answers the question at the head of this lesson, and shows "How much I am worth" on that date, as may be shown by setting down first :—

	£	s.	d.
What I *was* worth on Jan. 1, viz.	100	0	0
Then (adding my "net" or "clear" profit)	100	0	0
I find that on December 31st, I *should* have been worth	200	0	0
But I have drawn out of the business (that is, taken for my own private expenses)	80	0	0
Therefore, (subtracting) I find I am only worth	£120	0	0

In the next lesson you will learn how to answer this *same* question in quite *another* way. **To prove the Books is to see that the two answers to this question AGREE** (*see diagrams at the beginning and end of this book*).

The other way to find out "What I am worth" is by means of a "BALANCE SHEET."

EXERCISES ON LESSON V.

(1.) I am worth £100 on July 1st, 1865. During the next six months my net Profits amount to £472 8s. 10d. But I have drawn for Private Expenses £200. Draw out a Capital Account showing what

I am worth at the end of the year, and carrying forward the balance to begin the year 1866 with.

(2.) I am worth £500 at the beginning of the year. I make £125 during the first six months, and £180 profit the last six months.—I am worth £624 10s. 0d. at the end of the year. Make out a Capital Account showing what I have spent, putting any dates you please.

(3.) Make out a Capital Account for three months, showing that I have earned £70 during that time, and spent £82.

(4.) Make out Thomson and Wright's Capital Account for Jan. to June 1867, showing them to have been worth £4279 8s. 4d. on Jan. 1, and £4927 4s. 8d. on June 30.

(5.) On Jan. 1, 1878, I was worth £750. During the year I made £290 profit; and spent:—£63 10s. the first quarter—£65 15s. 6d. the second quarter—£50 11s. 7d. the third quarter, and £69 17s. 4d. the fourth quarter. Find, by means of a Capital Account, how much I was worth at the end of the year.

(6.) On Jan. 1, 1879, I was worth £320 2s. 6d.

In Jan.	I made	£35	12s.	1d.	profit;	and spent	£25.
,, Feb.	,,	37	4	2	,,	,,	,,	27
,, March	,,	30	14	11	,,	,,	,,	20
,, April	,,	27	2	2	,,	,,	,,	25
,, May	,,	29	4	5	,,	,,	,,	20
,, June	,,	25	3	7	,,	,,	,,	30

How much was I worth on July 1st?

(7.) I was worth £200 on Jan. 1. During the year I earned £928 14s. 1d., and spent £701 6s. 3d. Draw out my Capital Account.

(8.) Jan. 1. I was worth £1,750 4s. 3d. My net Profits for January were £522 19s. 1d., and Private Expenses £411 7s. 3d. What was I worth on Jan. 31?

(9.) Jan. 1. I began business with a Capital of £300. My Income for the year was £278, and my Expenditure £192 19s. 9d. Show by means of a Capital Account my position at the end of the year.

NOTE.—In old-fashioned Books Capital Account used to be called "Stock" account. A "*Joint Stock*" Company is a Company where the Capital belongs *jointly* to several people.

LESSON VI.

"What am I Worth."

We said in our last lesson that another way to find the answer to this question was by means of a "balance sheet." In making out a Balance Sheet, five things have to be thought of. You will be better able to remember these if you look at another "memory picture." Examine the hand (page 32), carefully for a few minutes, and then draw a similar diagram for yourself without referring to the book.

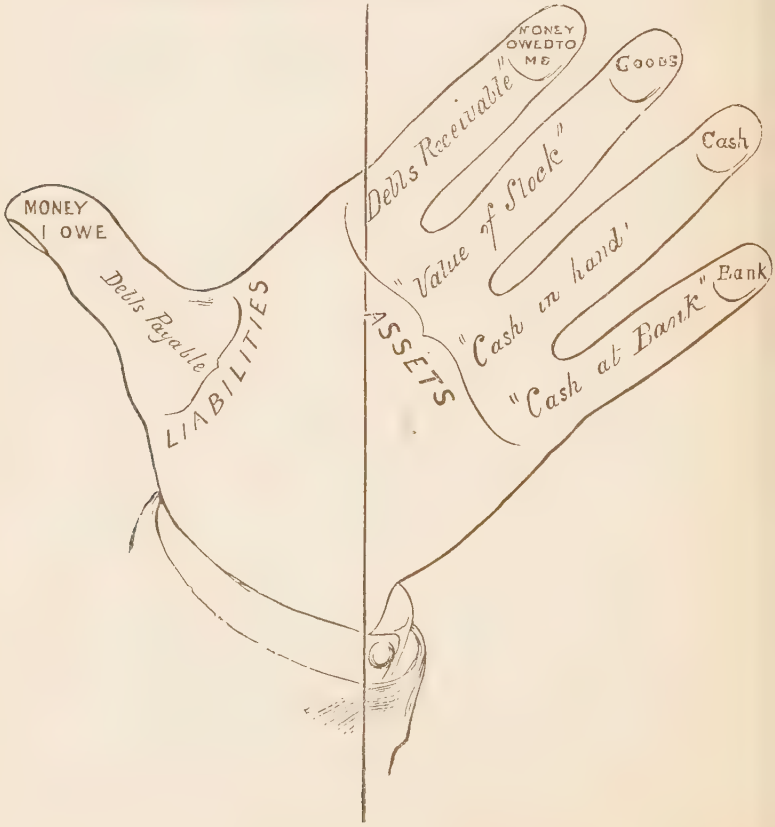
Now let us put this in another way :—

ON THE LEFT HAND SIDE PUT	ON THE RIGHT HAND SIDE PUT
"*Debts Payable.*" Or, what I owe other people. (If there are only a few names they may be specified.)	1. "*Debts Receivable.*" Or, what other people owe me.
	2. "*Value of Goods.*" Or, Stock in Trade.
	3. "*Cash in Hand.*" Money either in Cash Box or Till :—Gold, Silver, Copper, Notes, or Cheques.
	4. "*Cash at Bank.*" If the Bank account should be *overdrawn*, the amount goes on the other side.
The entries on this side are called "*Liabilities.*"	The entries on this side are called "*Assets.*"

Balance Sheet.

(ANSWERS THE QUESTION).

"What am I Worth"?



The "balance" or difference between the two sides answers the question "**What am I worth.**"

Remember the statement made in your last lesson, that IF THE BALANCE SHEET AND CAPITAL ACCOUNT AGREE, THE BOOKS ARE PROVED, and you have the best guarantee you can possibly obtain of the accuracy of the whole of your accounts.

The *method* by which this desirable result may be secured will be shown, step by step, as we proceed with our lessons.

EXAMPLE I.

Make out a balance sheet from the following statements :—

I owe Mr. Hitching	£172	0	0
„ „ „ Hewitt	50	0	0
„ „ „ Jeffery	113	0	0
Mr. Arnold owes me	29	2	6
„ Baker „ „	130	10	0

I have Cash in hand £33 12*s.* 3*d.*; in Bank £318; Goods £457.

	£	s.	d.
Mr. Hitching	172	0	0
„ Hewitt	50	0	0
„ Jeffery	113	0	0
I owe other people ...	335	0	0

	£	s.	d.
Mr. Arnold	29	2	6
„ Baker	130	10	0
Other people owe me	159	12	6

(Liabilities.) *BALANCE SHEET, Jan.* 1. (Assets.)

	£	s.	d.		£	s.	d.
Debts Payable	335	0	0	Debts Receivable	159	12	6
Balance (Net Capital)	633	4	9	Cash in hand	33	12	3
				,, at Bank	318	0	0
				Goods	457	0	0
	£968	4	9		£968	4	9

The balance (£633 4*s.* 9*d.*) shows "How much I am worth."

EXAMPLE II.

I owe other people £572. Other people owe me £250. I have cash £50. Goods £150. In bank £100. Make out my balance sheet.

(Liabilities.) *BALANCE SHEET, Jan.* 1. (Assets.)

	£	s.	d.		£	s.	d.
Debts Payable	572	0	0	Debts Receivable	250	0	0
				Cash	50	0	0
				Bank	100	0	0
				Goods	150	0	0

Before balancing this account, please notice which side is the heavier, and consider what this means!

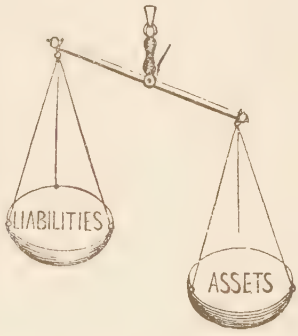
All the money I have, and all I have in the Bank, and the value of my Goods, and all that is owed to me, do not, when added together, come to as much as I owe other people. In other words, I CANNOT PAY MY DEBTS! When a man is not in position to be able to pay all his debts,

(even though he sold all his goods and collected all the money owed to him to enable him to do so), then he is said to be "*Insolvent.*" You may say then—

1. *I am* "SOLVENT" *when my "Assets" exceed my "Liabilities."*

2. *I am* "INSOLVENT" *when my "Liabilities" exceed my "Assets."*

INSOLVENT.



SOLVENT.

Now proceed to Balance :—

BALANCE SHEET, Jan. 1.

(Liabilities.)	£ s. d.	(Assets.)	£ s. d.
Debts Payable	572 0 0	Debts Receivable	250 0 0
		Cash in hand	50 0 0
		,, ,, Bank	100 0 0
		Goods in hand	150 0 0
		Balance, net Liabilities	22 0 0
	£572 0 0		£572 0 0

The Balance of £22 shows *by how much* I am "Insolvent," that is, how much money (or other assets) I need (in addition to those I already have) to enable me to pay all my debts.

NOTE.—Debts Receivable are never reckoned at their full value in real life. A deduction is made for future Bad Debts (see pp. 38, 39, 53).

EXERCISES ON LESSON VI.

(1.) I have Cash £50.—Goods worth £357 8s. 4d., and £177 11s. 5d. in the Bank. Mr. Smith owes me £65. Mr. Kitson owes me £141 2s. 3d. Mr. Mudbury owes me £2 2s. 0d., and Mr. Warren owes me 10s. 9d. I owe £133 2s. 2d. to Mr. Young.—£95 to Mr. Unwin.—£83 4s. 1d. to Mr. Weldon, and £55 0s. 8d. to Mr. Wingfield. *Am I Solvent or Insolvent, and by how much?*

(2.) Mr. Stephen owes me £22 5s. 3d.—Mr. Rows owes me £16 17s. 0d.—Mr. Ratcliffe owes me £35 4s. 2d.—Mr. Jackson owes me £89 12s. 1d.—I owe Camden and Co. £250.—I owe Ward and Co. £78 3s. 10d.—I owe Mr. Wright £4 11s. 2d.—I owe Mr. Townsend £11 7s. 8d.—I have Cash £88 6s. 8d.—Bank £501 2s. 3d.—Goods £1452 11s. 4d. *Am I "Solvent" or "Insolvent," and by how much?*

(3.) Mr. Baynes owes me £124 7s. 8d.—I owe Mr. Bunker £89 8s. 6d.—Mr. Emson owes me £60 6s. 11d.—I owe Mr. Siggs £77 2s. 10d.—Mr. Rushforth owes me £50 2s. 3d.—I owe Mr. Mynott £11 2s. 9d.—I owe Messrs. Parkin and Morris £93 13s. 4d.—I have Goods worth £302 17s. 4d.—Cash £2 3s. 6d.—In Bank £116 10s. 0d. *Make out my Balance Sheet, showing "How much I am worth."*

Compare the first three exercises on this Lesson with the last three on Lesson V.

(4.) *Decide from the following statement whether I am in a position to be able to pay all my debts. If not, how much would enable me to do so?*

Debts Receivable :—King £34 5s. 6d.—Lake £82 9s. 5d.—Lupwood £10 13s. 3d.—Ledger £75 0s. 10d.—Debts Payable :—Mann £264 4s. 3d.—May £121 1s. 9d.—Mills £125 4s. 2d.—Meade £136 5s. 3d. —Cash £86 13s. 8d.—Bank (none). Goods £205 14s. 4d.

(5.) Make out a Balance Sheet, showing that I am worth £120 (see page 28).

(6.) Make out a Balance Sheet, showing that I am worth £372 8s. 10d. (see page 29, Ex. 1).

(7.) Make out a Balance Sheet, from the Ledger on page 64.

(8.) I owe { Mr. Rust £171 2s. 4d. Mr. Savill £812 5s. 4d. / Mr. Sach £315 2s. 6d. Mr. Shee £342 4s. 10d.

And I am worth £2,000 exactly. Make out a Balance Sheet (supplying the other items).

(9.) Make out a Balance Sheet, from the Ledger on page 83, remembering the Cautions on page 25.

(10.) Explain the meaning of the expressions:

Debts Payable.	Liabilities.
Debts Receivable.	Solvent.
Assets.	Insolvent.

LESSON VII.

"Have I Gained or Lost"?

Business cannot be carried on without expenses and losses of various kinds; the expenses are incurred *for the sake of* future *profit*; and one of the first questions a business man asks himself at the end of the year is "Has it been worth my while to suffer all these losses"? "Have my *profits* been greater than my *expenses*"? or in other words "Have I Gained or Lost"?

Before we proceed further, I want you to notice that Book-keeping speaks of two *kinds* of

"profits"—"*Net* Profits," and "*Gross* Profits." To make the distinction between the two quite clear to your mind, I will use an illustration.

Suppose that I go over to Ireland and invest £150 in the purchase of Irish Ponies, which I afterwards bring to Essex and sell for £250.

You say at once that I have made £100 "profit." Quite true, *in one sense.* But as a matter of fact, my "*clear* gain" or "net profit" was only £75! For, in the first place my travelling expenses (and so forth) amounted to £15. In the second place, one man to whom I sold a pony for £16, paid me £8 in cash, and the next day left the neighbourhood, and has not been since heard of! And, in the third place, I had to throw off certain small sums of money in order to induce my customers to oblige me by paying ready money. These small deductions (usually called "Discounts") came to £2. Now let us see how the matter stands as to my gains and losses. Putting gains on one side and losses on the other, and writing at the top "Profit and Loss Account" we have :—

Dr. *Profit and Loss Account.* *Cr.*

(LOSSES.)	£	s.	d.	(GAINS.)	£	s.	d.
1st. "Expenses".....	15	0	0	"Gross" Profit on a lot of Irish Ponies, (bought for £150 —sold for £250).	100	0	0
2nd. "Bad Debt" ...	8	0	0				
3rd. "Discounts." ...	2	0	0				

If you "balance" the above account in the usual way you will see what my *clear* or "Net" profit has been, and you will understand where the entry "*Net Profit*" on the Cr. side of Capital Account comes from.

Whether the balance of Profit and Loss Account (call it P. & L. Acct.), is *Loss* or *Profit*, it must always be carried to Capital Account.

You have already learnt that the balance is carried *to the opposite side*. ALL BALANCES WHETHER "CARRIED DOWN" OR "CARRIED AWAY," GO TO THE OPPOSITE side. Therefore, in balancing P. & L. *remember*:—

1. When the balance is "Profit" it appears on the Dr. side of P. & L., and is carried to the Cr. side of Capital Account.

2. When the Balance is "Loss," it appears on the Cr. side of P. & L., and is carried to the Dr. side of Capital Account.

Why must the balance of P. & L. be carried to *Capital* Account? Because if it is "Profit," that Profit belongs to *me*, and must, therefore, be carried to *my own* account, but if it is "Loss," *I* have to bear that Loss; therefore it goes to *my own* (that is, to *Capital*) Account.

But how do we *find out* our "Gains" (to put on the Cr. side of the P. & L.), and our "Losses" (to put on the Dr. side)? This we shall see in the next two lessons.

EXAMPLE 1. *Make out a Profit and Loss Account from the following statement, and carry the Balance to Capital Account.* I have made £70 Profit on Tea.—£80 on Coffee.—and £15 on Sugar. My Expenses have been £12.—Bad Debts £5.—and Discounts £2 7*s.* 9*d.*

Dr. *Profit and Loss.* *Cr.*

	£	s.	d.		£	s.	d.
To Trade Expenses ...	12	0	0	By Tea.....	70	0	0
„ Bad Debts.....	5	0	0	„ Coffee	80	0	0
„ Discounts	2	7	9	„ Sugar	15	0	0
„ Net Profit (card. to Capital Acc.)	145	12	3				
	£165	0	0		£165	0	0

Dr. *Capital Account.* *Cr.*

	£	s.	d.
By Net Profit.....	145	12	3

EXAMPLE 2. I have made Profit on Goods, £175. My Trade Expenses have been £160. Discounts £20. *Have I Gained or Lost, and how much? Carry the Gain or Loss to "my own account."*

Here it will be seen at once that the Dr. side (Losses), exceed the Cr. side (Gains) by £5. Therefore the Balance must be called "Net Loss."

Dr. *Profit and Loss.* *Cr.*

	£ s. d.		£ s. d.
To Trade Expenses ...	160 0 0	By Gross Profit	175 0 0
„ Discounts	20 0 0	„ Balance, net loss card. to Cap. Acc.	5 0 0
	£180 0 0		£180 0 0

Dr. *Capital Account.* *Cr.*

	£ s. d.
To Net Loss	5 0 0

EXERCISES ON LESSON VII.

1. During the year my Gross Profit on sale of Goods was £2,330 2s. 4d.—Trade Expenses £295 6s. 2d.—Bad Debts £50.—Discounts £22. Have I gained or lost, and how much?

2. Profit on Printing £432 6s. 4d.—On Stationery £342 1s. 3d.—On Books £162 9s. 5d.—On Photographs £87 3s. 11d.—Trade Expenses £132 9s. 7d.—Bad Debts £16 10s. 0d.—Discounts £28 3s. 11d. How much have I gained or lost?

3. A Coal merchant finds that in consequence of the fluctuations in the price of Coal, he has gained on some sorts and lost on others, as follows:—Loss on Wallsend £52 19s. 6d.—Gain on Derby Brights £264 1s. 7d.—Gain on Staveley £224 8s. 3d.—Loss on Silkstone £47.—Gain on Nuts £32 10s. 0d.—Gain on Slack £54 3s. 2d. His Business Expenses for the year amounted to £268 7s. 11d.—Bad Debts £21 3s. 8d.—Discounts £26 13s. 8d. Calculate his "net" gain or loss and carry the same to Capital Account.

4. Make out a Merchant's Capital and P. & L. Accounts, for the year 1875, showing that he has made £785 10s. 0d. clear profit.

5. Make out Capital and P. & L. Accounts for 1870, showing a Net Loss of £75 8s. 7d.

LESSON VIII.

How have I Gained?

There are many ways in which a man of business may make his gains. He may execute "Commissions" for other merchants—he may advise other men what to buy or sell, or how to act, and charge for this advice, or he may if he have more money than he wants to use himself lend some of it at "Interest;" but the most frequent method of making "Profit" is by buying and selling. We shall only consider at present the Profits made by buying and selling.

Things that are bought and sold for the purpose of making gain, are called "*Goods*" or "Merchandise," as you learnt in Lesson 3.

Now, if you are content to know how much you have gained by trading *altogether*, without desiring to ascertain how much you have gained by each branch of your business, or on each kind of merchandise you have dealt in, then you need only keep *one* Goods Account, and everything you buy and sell must in some way appear therein.

But it may very likely happen that you will wish to know a little more particularly than this "How you have gained." For instance, you may be a Merchant, and may wish to see in black and white your gains on "Wheat"—on "Wine"—and on "Timber" separately. Or you may have a snug little country trade as Grocer and Draper, and would like to know which branch of the concern pays you best. Then you must keep *more than one* Goods Account. You will want one for each division of your business.

Thus you may have "Grocery Account," and "Drapery Account"—or even "Tea Account," "Coffee Account," and "Sugar Account"—making, in fact, just as many Goods Accounts as you please!

How to Balance any Goods Account, *that is, to find out "How I have Gained."*

If you buy a quantity of Sugar for £185 and sell it for £200, it is easy to calculate your profit on Sugar by subtracting the sum you laid out, from the amount you have received.

Dr. *Sugar Account.* *Cr.*

PURCHASES.	£	s.	d.	SALES.	£	s.	d.
Jones and Co.	100	0	0	For Cash	50	0	0
Carson Bros.	85	0	0	Mr. Simpson	150	0	0
	£185	0	0		£200	0	0
Profit	15	0	0				
	£200	0	0		£200	0	0

And as you will remember (page 17) that all *purchases* go on one side of the account, and all *sales* on the other, it would seem a very simple matter at any time to find how much you have gained on any particular kind of Goods by balancing that account. But the profit cannot always be got at in this way. *Why not?* Because at the time you are balancing your books it frequently happens that you have still some "Sugar"—or some "Tea"—or some "Goods" remaining UNSOLD. Indeed this is the case more often than not, and the question

comes, what is to be done about the stock of "Goods in hand" which has not yet been sold? The answer to this question deserves your special attention. **You must suppose that it is all sold!** That is, *you must carefully ascertain the value of the "Goods" that remain* UNSOLD, *and enter the amount on the* SOLD *side of the account* (treating **unsold** Goods, in fact, as though they were **sold**).

To find the exact value of the Goods remaining unsold, is sometimes in real life, a very troublesome business; so many shelves and cupboards, and drawers have to be looked into; so many parcels untied and tied up again, and such a variety of little things to be weighed, measured or counted, that many people either do not attempt it at all, or try to manage by the "guessing" method. (They call it "estimating"). But it is a most important thing to do, and to do thoroughly—and no man of business should shrink from it because of the trouble.

The Diagram at the beginning of the book will now enable you to understand the following Rules and Examples:—

RULES.

1. *Enter Value of Stock on Cr. Side.*

Say "By Goods in hand."

2. *Balance.*

If the "Balance" falls on the Dr. side, call it "Gross Profit."
If the "Balance" falls on the Cr. side, call it "Loss."

3. *Carry "Goods in hand" down.*

4. *Carry "Gross Profit" away.*

EXAMPLE I.

Dr. *Goods Account.* *Cr.*

1885	£	s.	d.	1885	£	s.	d.
Jan. 1 To Goods in hand	752	8	3	Jan. 31 By Cash Sales.	156	9	3
,, 31 ,, Cash Purchases	75	10	0	,, ,, ,, Credit do....	482	6	5
,, ,, ,, Credit do. ...	352	5	1				

At the end of January my Goods Account stands as above, and I have Goods remaining in my shop still unsold to the value of £783 8*s.* 7*d.*

Find whether I have "*gained*" or "*lost*"—and how much, and transfer the amount of such *gain* or *loss* to " P. & L."

Dr. *Goods Account.* *Cr.*

1885	£	s.	d.	1885	£	s.	d.
Jan. 1 To Goods in hand	752	8	3	Jan. 31 By Cash Sales .	156	9	3
,, 31 ,, Cash Purchases	75	10	0	,, ,, ,, Credit do. ...	482	6	5
,, ,, ,, Credit do.....	352	5	1	,, ,, ,, Goods in hand card. down	783	8	7
,, ,, ,, "Gross Profit" card. to P. & L.	242	0	11				
	£1,422	4	3		£1,422	4	3
Feb. 1 Goods in hand	£783	8	7				

Notice carefully the successive steps taken.

RULE 1. *Enter value of Goods on Cr. side.* Therefore enter £783 8*s.* 7*d.* under date Jan. 31.

RULE 2. *Balance* :—

	£	s.	d.
Total of Cr. side	1,422	4	3
,, ,, Dr. side	1,180	3	4
Difference	242	0	11

Put the difference on the "lighter" side (Lesson 2).

RULE 3. *Carry "Goods in hand" down.*

This is the first Entry in Goods Account for Feb., and must therefore be dated Feb. 1.

RULE 4. *Carry Profit away* (opposite side).

Where to? To "P. & L." Account. Thus then you see we have answered *one* of the questions at the close of our last lesson. This last step of all we now proceed to take.

Dr. *PROFIT AND LOSS.* *Cr.*

	£ s. d.
Jan. 31 By Gross Profit	242 0 11

Caution:—When you have found the balance of "Profit" do not—according to Lesson 2—carry it *down*, but *away*. "Goods in hand" is the "balance" of Goods Account. Do not forget to carry *this* down.

The next Example will show you how to act if ever you should meet with a "loss" on any of your "Goods Accounts."

EXAMPLE II.

Dr. *TEA.* *Cr.*

	£ s. d.		£ s. d.
Purchases	760 0 0	Sales.....	710 0 0

Dr. *COFFEE.* *Cr.*

	£ s. d.		£ s. d.
Purchases	575 0 0	Sales.....	400 0 0

Dr. *SUGAR.* *Cr.*

	£ s. d.		£ s. d.
Purchases	200 0 0	Sales.....	120 0 0

At the end of the year my "Tea," "Coffee" and "Sugar" Accounts stand as above. I take stock, and find that I have £150 worth of Tea left unsold—£225 worth of Coffee—and £78 worth of Sugar.

Balance the accounts, carrying to "P. & L." Then balance "P. & L.' and carry to "Capital Account." (Lesson 7.)

Dr. *TEA.* *Cr.*

	£	s.	d.		£	s.	d.
Purchases	760	0	0	Sales	710	0	0
Gross Profit card. to P. & L.	100	0	0	Tea in hand, card. down	150	0	0
	£860	0	0		£860	0	0
Stock in hand £	150	0	0				

Dr. *COFFEE.* *Cr.*

	£	s.	d.		£	s.	d.
Purchases	575	0	0	Sales	400	0	0
Gross Profit card. to P. & L.	50	0	0	Stock in hand card. down	225	0	0
	£625	0	0		£625	0	0
Stock in hand £	225	0	0				

Dr. *SUGAR.* *Cr.*

	£	s.	d.		£	s.	d.
Purchases	200	0	0	Sales	120	0	0
				Stock in hand card. down	78	0	0
				"Loss" card. to P. & L.	2	0	0
	£200	0	0		£200	0	0
Stock in hand £	78	0	0				

Dr. PROFIT AND LOSS. *Cr.*

	£	s.	d.		£	s.	d.
To Loss on Sugar	2	0	0	By Profit on Tea	100	0	0
,, Net Profit card. to Capital Acc.	148	0	0	,, ,, ,, Coffee ...	50	0	0
	£150	0	0		£150	0	0

Notice that there is no balance here to carry *down*. In other words, P. & L. is "closed."

Dr. CAPITAL ACCOUNT. *Cr.*

	£	s.	d.
By Net Profit (from P. & L.)	148	0	0

EXERCISES ON LESSON VIII.

(1.)

Dr. GOODS ACCOUNT *Cr.*

1886	£	s.	d.	1886	£	s.	d.
Jan. To Goods in hand	224	7	9	Jan. By Sales	154	18	1
,, ,, Purchases ...	111	8	4	Feb. ,, Do.	137	10	6
Feb. ,, Do.	131	16	5	Mar. ,, Do.	101	5	11
Mar. ,, Do.	97	4	0				

Balance the above account (taking value of Goods in hand on March 31 at £258), and carry to P. & L.

(2.)

Dr. GOODS ACCOUNT. *Cr.*

1881	£	s.	d.	1881	£	s.	d.
July 1 To Goods in hand	802	17	7	July to Dec. By Sales .	708	0	10
July to Dec. To Purchases	791	10	3				

Balance the above, estimating Goods unsold at £1,009 19s. 2d., and carry to P. & L.

(3.)

Leather. Stock in hand to begin the year, £1,200.—Purchases, £550.—Sales, £1,950.—Stock in hand at end of year, £100.

Linen. Purchases, £1,510.—Sales, £940.—Stock in hand at end of year £750.

Hops. Stock in hand at starting, £920.—Purchases, £350.—Sales, £1,200.—Stock in hand at end of year, £50.

Draw out and balance accounts for the above, and carry to P. & L. Then balance P. & L. and carry to Capital Account.

(4.)

Make out separate accounts for Cloth, Wheat and Hemp. Then balance, showing a profit of £575 on Cloth—of £230 on Wheat—and of £386 9s. 5d. on Hemp. Carry to P. & L.

(5.)

Make out separate accounts for Rice and Treacle, showing a profit on the former, and a loss on the latter; balancing P. & L., and carrying to Capital Account.

LESSON IX.

"How have I Lost?"

To ascertain the manner in which a man of business has *lost* money, is not less interesting and important than to see the way in which he has made his *gains*. Perhaps you will say "not so *interesting*!"

Now there have been, and I suppose still are, business men and women, not a few, who have been unsuccessful in life, just because they

did not think *losses* were so "interesting" as *gains*; and who did not therefore "interest" themselves sufficiently about them, to prevent their running away with all the gains! How vexatious it must be for a man who is doing a good trade, quite enough perhaps to get a very comfortable living out of it, to find at the end of the year, that the greater portion of his "profits" are being *eaten up* (so to speak) by "losses."

Let us see then how profits are sometimes eaten up. If you have forgotten about the Irish Ponies on page 38, please to turn back and refresh your memory. You there saw at work three of the largest of those sharks that have such a keen appetite for "gains." Their names are—

1. Trade Expenses.
2. Bad Debts.
3. Discounts.

I do not mean to say that these are the only three, but they are the most common, and will be enough for the present to think of. Of these the *first* is the largest, and can the most easily be reduced.

The *second* is the most annoying.

The *third* may sometimes appear as a "Profit" instead of a "Loss."

What do we mean by "TRADE EXPENSES"? We call all money spent for business purposes "Trade Expenses," *unless we get something substantial in exchange.* For instance, when I spend money on "Goods," I have something substantial in exchange, and should not therefore call such an outlay "Trade Expenses."

If I spend money on Postage Stamps to use for business letters, the stamps have soon vanished, and I have nothing substantial left. I must therefore call this "Trade Expenses," and for the same reason I call the Rent of my Shop, and the Wages I pay to my clerks "Trade Expenses."

But if I buy a new stove to warm my office, I have something substantial in exchange for my money, and must not enter this to "Trade Expenses," but to an "account of Things" or "Real Account" such as "Office Furniture." You can easily think of various ways of spending money about your business, and it will be a very useful exercise for you to make up your mind

under what account you would place each of them. There are some doubtful cases:—for example, a new hearth-brush for the office fireplace. Would you call this "substantial?" Probably not, as it would soon get worn out and need replacing. If you are in doubt, it is better to choose "Trade Expenses," especially if the amount is small.

"Bad Debts" account will not require very much of your attention at present. I said that it was the most annoying of the three ways of losing one's gains; and it is so for this reason, that it is the most difficult to prevent. If at any time I hear that a man who owes me money cannot pay me, I must (as soon as I feel quite sure that there is no hope of my ever getting the money), "write the account off": *that is, I must balance the account, and carry the balance to Bad Debts account.*

"Discount" Account. By "Discounts" we understand certain sums of money subtracted from the regular price of Goods to obtain payment more quickly. If I keep a shop, my customers ask me for "Discount," and I grant it on condition that I receive "Ready Money" payment. I, in my turn, ask the Wholesale

Houses with whom I deal, to give *me* Discount; and by paying promptly for my Goods, I may be able to get very considerable reductions in this way. The reductions I make to *my* customers are of course *Losses*; but these may be, and often are, more than counter-balanced by those I *obtain* from the Wholesale Firms, which are *Gains*. Thus it may happen, as before stated, that this particular "Loss" is turned into "Gain."

These three accounts must each of them be balanced in the usual way, but instead of the balances being carried "down," they must be carried "away" to P. & L. (opposite side).

If the balance comes into the Dr. side of P. & L. (as it almost always does), it is a Loss, but if it should come into the Cr. side it is a Gain.

EXAMPLE.

During 1871 I spend £82 on Rent; £130 on Wages and Salaries; £60 18*s.* 3*d.* on Carriages &c., and £49 1*s.* 11*d.* on Miscellaneous Items. I had two Bad Debts, Tarleton £157, and Rushworth £18. I *allowed* £39 16*s.* 2*d.* in Discounts to my customers, and I received as Discounts £25 11*s.* 4*d.* Make accounts for the above and balance.

Dr. *TRADE EXPENSES.* *Cr.*

	£	s.	d.		£	s.	d.
To Rent.....	82	0	0	By Balance, card. to P. & L.....	322	0	2
,, Wages &c.	130	0	0				
,, Carriage &c.	60	18	3				
,, Sundries	49	1	11				
	£322	0	2		£322	0	2

Dr. *BAD DEBTS.* *Cr.*

	£	s.	d.		£	s.	d.
To Tarlton.....	157	0	0	By Balance card. to P. & L.	175	0	0
,, Rushworth	18	0	0				
	£175	0	0		£175	0	0

Dr. *DISCOUNTS.* *Cr.*

	£	s.	d.		£	s.	d.
To Discounts allowed.	39	16	2	By Discounts received.	25	11	4
				,, Balance card. to P. & L.	14	4	10
	£39	16	2		£39	16	2

Dr. *P. & L.* *Cr.*

	£	s.	d.
To Trade Expenses ...	322	0	2
,, Bad Debts	175	0	0
,, Discounts	14	4	10

EXERCISES ON LESSON IX.

(1.) My Trade Expenses for 1850, were as follows :—For Wages, £78 10s. 1d.—For Rent and Taxes, £64 10s. 5d.—For Sundries £52 13s. 9d.

I had three Bad Debts :—J. Perry, £25 0s. 1d.—R. Pond, £17 2s 2d —and N. Patmore, £5 2s. 9d

Discounts allowed came to £23 13s. 6d., and Discounts received £19 14s. 7d.

Make accounts for the above and carry to P. & L.

(2.) Since last Stocktaking, my Trade Expenses have amounted to £27 8s. 6d.

	£	s.	d.
I have allowed Discounts	45	2	9
I have received Discounts	49	9	2
The following Bad Debts have been "written off":—			
D. Procter	2	5	9
J. Latten	3	7	2
C. Athill.....	11	2	11
J. Frost	3	7	0
J. Cummins	2	10	6

Make accounts for the above and carry to P. & L.

(3.) From Jan. to June, 1878, I made £493 11s. 5d. "Gross Profit," which was reduced to less than half by the following "Losses."

Trade Expenses:—Travelling, £35 4s. 2d. Rent, £69 3s. 10d. Wages, £54 8s. 4d. Sundries, £48 12s. 3d.

Bad Debts:—Dale, £50. Hamby, £42 12s. 9d. Gibson, £17.

Discount:—Allowed, £28 2s. 8d. Received, £31 17s. 6d.

Enter the above in their respective "Loss" Accounts, and show my "Net Profit" by a P. & L. account.

(4.) Make out accounts for the following "Losses," and balance.

		£	s.	d.
Jan. 17	Paid for Wages	10	6	8
,, 27	Allowed Discounts	17	2	9
Feb. 1	Paid Rent	12	15	0
,, 15	Allowed Discounts	13	3	8
,, 28	Received do.	16	6	11
Mar. 5	Paid for Gas	5	8	9
,, 11	,, Postage Stamps	8	5	2
,, 31	Bad Debts (Blyth).....	14	10	6
,, ,,	Do. (Booth).....	12	9	2

		£	s.	d.
Mar. 31	Discounts received	20	1	9
,, ,,	Do. allowed	18	2	2
,, ,,	Sundry Expenses	10	10	0

(5.) Make out accounts for "Wool," "Hides," "Trade Expenses," and "Discounts" from the following statement, and carry to P. & L. Then balance P. & L. and carry to Capital Account.

Wool:—Purchases, £825. Sales, £625. Value of Stock unsold, £300.

Hides:—Purchases, £1400. Sales, £1400. Stock remaining unsold is worth £220.

Trade Expenses:—Stationery, £8 5s. 0d. Rent, £27 4s. 6d. Wages, £50. Sundries, £19 19s. 0d.

Discounts:—Allowed, £15. Received, £24 9s. 6d.

(6.) My *Gross* Profit last year amounted to £796 18s. 8d. My *Net* Profit was only £57 19s. 8d. Draw out accounts for Trade Expenses, Bad Debts, Discounts, and P. & L. to agree with the above statement.

Questions on Lessons V.—IX. will be found on page 201.

LESSON X.

The Ledger and How to "Open" it.

You have now learnt about three kinds of accounts.

1st. Accounts of *Things*, or "*Real Accounts*."

2nd. Accounts of *Persons*, or "*Personal Accounts*."

3rd. The Accounts which answer various questions about the business; these are called "*Nominal Accounts*."

The Book which contains all these Accounts is called THE LEDGER.

In order that you may have their meaning and relation to each other very clearly before your mind, I must ask you to study the *synoptical view of the various accounts contained in the Ledger*, which you will see at the end of this book, until you know it well enough to make an accurate copy from memory.

HOW TO BEGIN.

"Well-begun—half-done" is quite as true in Book-keeping as anywhere else; and as so many beginners in this study make shipwreck of their work at the very outset, I shall devote the rest of this Lesson to making the method of starting as clear and unmistakable as possible.

If you were asked to keep any one's Books for him, the first thing you would want to know would be the state of his affairs, or *what he was worth;* and if his "*Worth*" or "*Property*" was of different kinds (as for instance part in "Cash" and part in "Goods"), you would want to know exactly what it consisted of.

In other words, you must have a correct statement of "Assets" and "Liabilities," giving all

particulars. You will remember (from Lesson 6), what these words mean.

The first thing then in Book-keeping (no matter whether it is in an Examination Paper, or in Real Life), is to get at the facts relating to a man's "worth" (or property) and his debts, so as to make out a "Balance Sheet."

Suppose we take the following facts to start with :—

Jan. 1. I have £20 worth of Cash—£50 in the Bank—and £570 worth of Goods.

Mr. Long and Mr. Short each owe me £25

I owe Mr. Twist £5—Mr. Turner £18, and Mr. Smoothy £100.

First let us make out a Balance Sheet.

Liabilities. *BALANCE SHEET.* *Assets.*

JANUARY 1.

	£	s.	d.		£	s.	d.
Mr. Twist	5	0	0	Mr. Long	25	0	0
,, Turner	18	0	0	,, Short	25	0	0
,, Smoothy	100	0	0	Cash	20	0	0
Balance (Capital)	567	0	0	Bank	50	0	0
				Goods	570	0	0
	£690	0	0		£690	0	0

The next thing will be to open nine accounts in the Ledger headed respectively :—

"Twist."
"Turner."
"Smoothy"
"Capital."
"Short."
"Long."
"Cash."
"Bank."
"Goods."

Lastly, we have to enter under these headings which we have just made, the amounts as given in the Balance Sheet ; *remembering to put Liabilities on the Cr. side, and Assets on the Dr. side of their respective accounts.*

The entries when made will appear as follows :—

Dr.	*TWIST.*		*Cr.*
			£ s. d.
	By Balance		5 0 0

Dr.	*TURNER.*		*Cr.*
	By Balance.....		18 0 0

Dr.	*SMOOTHY.*		*Cr.*
	By Balance.....		100 0 0

Dr.	*CAPITAL ACCOUNT.*		*Cr.*
	By Balance		567 0 0

Dr.	*SHORT.*	*Cr.*
	£ s. d.	
To Balance.....	25 0 0	

Dr.	*LONG.*	*Cr.*
To Balance	25 0 0	

Dr.	*CASH.*	*Cr.*
To Balance	20 0 0	

Dr.	*BANK.*	*Cr.*
To Balance	50 0 0	

Dr.	*GOODS.*	*Cr*
To Balance.....	570 0 0	

We have now "opened the Ledger," that is, we have made the necessary record of all the facts at the commencement, and the books are ready to receive the record of any further facts, as they occur.

We may summarise as follows :—

1. Make out a Balance Sheet.

2. Open Accounts.

(As many as there are items in Balance Sheet.)

3. Enter Amounts.

(On the opposite side to that in which they appear in Balance Sheet).

EXERCISES ON LESSON X.

[*These Exercises should be done in Exercise Book No.* 2.]

1. Make out a Balance Sheet and open accounts from the following statement:—Jan. 1, Cash, £70.—Bank, £200.—Goods, 975 8s. 0d. Mr. Robinson owes me £15.—I owe Mr. Sparks, £16 16s.—I owe Mr. Fuller, 2s. 6d.

2. Make opening entries from the following statement:—

Debts Payable:—L. Radbone	£12	4	2
E. Burchell	1	6	9
C. Kingsley	0	18	8
Debts Receivable:—Pearse and Son.....	5	0	0
R. Slater	50	15	0
T. Richards	0	0	9
Value of Stock £672 8s. 4d.—Cash	7	19	1

3. I was asked last Monday to start a new set of Books for my brother, whose affairs then stood as follows:—He owed Mr. Macaulay, £2 7s, 8d.—Mr. Froude, £8 8s. 0d.—Mr. Hallam. £35.—and Mr. Gibbon, £22 2s. 9d. Mr. Lingard owed him £43 18s. 11d.—and Mr. Freeman owed him £13 14s. 5d.—He had Cash £12 2s. 0d., and Goods worth £394 12s. 3d. Show what entries I made in his books.

4. A schoolboy thought he would like to begin systematic Book-keeping on his own account. The following is a true statement of his assets and liabilities. He owes no man anything. He has 7½d. in his purse—£1 5s. 6d. in the Post Office Savings Bank—and his brother Fred. owes him a shilling. Furthermore he has various small articles that he wants to sell, viz:—a Knife 6d., a Book 1s., and a set of Knucklebones, 4d. Estimate the value of his "Goods on hand" at half the selling prices, and show him how to "Open the Books."

5. Open the Books for Test Exercises A. to G. (page 149), in the manner shown on page 64. These should be worked out in the Exercise Book (No. 2) specially ruled and prepared for the purpose.

Be careful to keep each Exercise distinct, and *not to enter* any of the *Transactions*. Transactions never go in a Balance Sheet!

LESSON XI.

How to make Entries in the Ledger.

The Ledger contains a record of everything done in business. How is that record to be made? Where am I to enter the various transactions as they occur, and what kind of entries have I to make? In other words, I want to know:—

1. Where to write.
2. What to write.

The first of these questions must occupy our attention at once.

If we take a few of the simplest kind of business transactions, and think about them, we shall soon begin to discover, a method by which we can decide in which accounts they will have to be entered, and thus we can make up for ourselves a Rule to tell us *where to write.*

EXAMPLE I.

I sell £50 worth of Goods for Cash. We will suppose of course that we have already "opened" our Ledger (Lesson X), and, for the sake of clearness, we will show the whole Ledger in one view.

LEDGER.

Dr. TWIST. Cr.				Dr. TURNER. Cr.				Dr. SMOOTHY. Cr.				Dr. CAPITAL. Cr.			
	£	s.	d.		£	s.	d.		£	s.	d.		£	s.	d.
	5	0	0		18	0	0		100	0	0		567	0	0

Dr. SHORT. Cr.				Dr. LONG. Cr.				Dr. CASH. Cr.				Dr. BANK. Cr.			
£	s.	d.		£	s.	d.		£	s.	d.		£	s.	d.	
25	0	0		25	0	0		20	0	0		50	0	0	

Dr. GOODS. Cr.				Dr. Cr.	Dr. Cr.	Dr. Cr.
£	s.	d.				
570	0	0				

The above represents the Ledger that was opened in our last Lesson. Each of the little spaces is a separate account, and would probably, in a real Ledger, occupy a whole page. The blank spaces are for new accounts that may have to be opened from time to time. Now just as the letter sorter at the Post Office stands with a heap of letters ready to put each into its proper pigeon hole, so are we waiting to consider into which of these little square boxes, called "Accounts," the transaction before us has to be placed.

Let us think about it. "I sell £50 worth of *Goods*." Then put it in *Goods* account you say. Quite right. But I see that each of our little boxes or pigeon holes is divided into two compartments. Shall I put it into the right hand division, or into the left hand division? The right hand you say. Why? Because Goods that are sold, go *out* of my shop or warehouse, and I know (from Lesson 3), that *Goods out* are entered on the Cr. side of Goods account.

But before we leave off thinking about this transaction, let us read it again. "I sell £50

worth of Goods for *Cash.*" Ought we not to have put it in *Cash* account after all? If I sell Goods for Cash, I receive the money for the Goods: in other words the *Cash* comes *in.* It certainly appears that an entry ought to be made on the Dr. side of "Cash account." And yet if you think the matter over, you will see no good reason for altering your mind about making an entry in "Goods account" *too.* So that we come to this conclusion, that the only way to get the fact of the sale of £50 worth of Goods for Cash properly entered in the Ledger, is to have it *in two places.*

EXAMPLE II.

Sold £20 worth of Goods to Mr. Long, on credit. You see at once that "Goods account" is concerned again in this example, and you have no difficulty in entering £20 on the Cr. side of Goods account as before. But what does "on credit" mean? It means that the Goods were *not paid for* at time they were sold; and if this is the case "*Mr. Long owes me*" £20.

You must therefore make an entry, in Mr. Long's account, as well as in Goods account.

Be careful to put it on the "*He owes me*" side. (Lesson IV.).

NOTE. It will be necessary to bear in mind that when no mention is made of payment, all Sales and Purchases are supposed to be "on credit."

EXAMPLE III.

Jan. 17. I draw £10 from the Bank. That is to say, on the 17th of January, I took £10 out of my stock of money at the Bank, and added it to my stock of money or cash at home. Here again we see that an entry must be made *in two places.*

On the Dr. side of Cash account.
(Because Cash comes IN).

On the Cr. side of Bank account.
(Because the money at Bank goes OUT).

Now let us look at our three Examples together. Careful observation may help us to discover some general principle, which will guide us in entering *any* transaction.

For this purpose we will briefly recapitulate :—

EXAMPLES.

1. I sell £50 of Goods for Cash.
2. I sell Mr. Long £20 worth of Goods.
3. I draw £10 from Bank.

ENTRIES.

1.	Cash account.	Dr. side.	Because Cash comes IN.
	Goods account.	Cr. side.	Because Goods go OUT.
2.	Long's account.	Dr. side.	Long has something coming IN.
	Goods account.	Cr. side.	Goods go OUT.
3.	Cash account.	Dr. side.	Because Cash comes IN.
	Bank account.	Cr. side.	Bank has something going OUT.

We see at any rate these three things:—

1. That in each transaction *Two* accounts are involved.

2. That *one* of the Two accounts has something to do with Receiving (or coming IN).

3. That the *other* has something to do with Giving (or going OUT).

And if we were to go on thinking about other kinds of transactions we should find that every one of them is concerned with two accounts, and

that in almost every case *one* of these accounts is a *Receiving* or "*Coming* IN" account, and the *other* a *Giving* or "*Going OUT*" account. We can thus make up for ourselves a very simple

RULE

For entering Transactions in the Ledger.

1. Think: Which are the two accounts?

2. Think: Which is the one that { Receives / comes IN?

3. Think: Which is the one that { Gives / goes OUT?

4. Enter on the *Dr.* side of the *Receiving* account.

5. Enter on the *Cr.* side of the *Giving* account.

Now examine this Transaction:—

Paid for Trade Expenses £10.

What are the two accounts involved? Cash

is one certainly, and Trade Expenses is the other. It is very plain too that when I *pay* Cash, the Cash goes OUT, but I cannot understand how Trade Expenses can be said to come IN—or indeed to go OUT either! You are quite right. What kind of account do you call Trade Expenses? Is it not a nominal account? Remember then that with all *nominal* accounts you do not ask the question "IN or OUT?" but you put this question: "LOSS or GAIN?" If LOSS, enter on the *Dr.* side—if GAIN, enter on the *Cr.* side. You will perhaps best keep in mind a vivid recollection of these Rules if you study well the following Diagram (page 71).

Having shown *where* to make the entry, the question arises, what *kind* of entry will have to be made?

Now the only thing that it is absolutely necessary to put down is the *amount* or sum of money given in each case; yet there are two other things which it is very desirable to have on record.

KIND OF ACCOUNT.	QUESTION.		
	Dr.		*Cr.*
REAL	Comes IN	or	Goes OUT?
PERSONAL	RECEIVES	or	GIVES?
NOMINAL	LOSS	or	GAIN?

Notice the Three G's all on the Cr. side.

1st. The date when the transaction occurred.

2nd. Some particulars in words, *describing* as briefly as possible the nature of the transaction.

The method of "Proving" can however be shown more clearly by leaving out dates and words. We will therefore postpone the consideration of this part of our subject until after our next lesson.

EXERCISES ON LESSON XI.

Exercises (1) to (5) are intended for *viva voce* work.

(1.) Name the two accounts involved in each of the following transactions :—

	£		£
Received of J. Jackson.....	1	Paid into Bank	50
Paid D. Thomas	3	Sold Coffee for Cash.....	106
Sold Goods to E. Sarjeant...	11	Bought Timber for Cash....	350
Paid Office Rent	15	Bought Goods of A. Brown	35
Sold Timber to A. Brown...	50	Paid for Wages	10

(2.) Which is the account to be "Credited" in each of the following transactions?

Sold Goods to J. Farthing.
Mr. Burton pays me.
Received Cash from Mr. Warren.
Mr. Bristowe buys Wheat from me.
I buy Horse and Cart from Mr. Bristowe.
Drew £5 from Bank.
Paid £100 into Bank.
Mr. Talbot sells me set of Harness.
Received £3 for Goods sold.
Settled Mr. Joyce's account.

(3.) Which is the account to be "Debited" in each of the following transactions?

Paid Royal Insurance Company.
Barker and Co. paid me.
Daulton and Co. bought Goods of me.
I sold Goods to Freshwick Bros.
Mr. Barker settles his account.
Received Cash from Bowes and Son.
Drew £10 from Bank.
Sold E. Law Goods.
Emson and Co. sold me Wool.
Sold Goods to R. Bewley, for which he paid me at the time.

(4.) Which is the "Receiving" account in each of the transactions in Exercise 2?

(5.) Which is the "Giving" account in each of the transactions in Exercise 3?

(6.) If you have thoroughly understood this Lesson, you will now be able to enter the Transactions for the Test Exercises A to G (page 149).

You must enter them in the *same* skeleton Ledgers you have already "opened," when you were doing the Fifth Exercise on Lesson X.

If you are doubtful how to proceed, study the Examples on pages 64, 79, and 80.

CAUTION.

Be careful *not to enter* the Value of Stock (given at the end of each Exercise) at present. This is not a Transaction, and is only given to enable you to Prove your Books, which you will learn how to do in Lesson XII.

LESSON XII.

How to Prove.—1. Trial Balance.

Since every amount entered in the Ledger appears in two places, one of which is on the Dr. side, and the other on the Cr. side, it follows that the total amount on the Dr. side all through the Ledger will be equal to the total amount on the Cr. side. The first step then in proving is to cast up all the Debits and Credits separately and ascertain their respective sum totals. If these totals do not agree, there is certainly some mistake, and this mistake must be discovered before proceeding further.

This preliminary work is called taking a Trial Balance. (See page 81.)

A Trial Balance is not really necessary, and, if you take care not to make mistakes, you will perhaps find it better to spare yourself this trouble altogether.

Before going on to the next step I should like to show you

How to Detect Errors.

The first thing always is to find out how much you differ.

1. If the difference is an amount consisting of pounds, shillings, and pence (as £37 9*s.* 4*d.*), look for those figures in your Ledger. You will perhaps find them on one side, but not anywhere on the other. If so you will have at once discovered your mistake.

2. Very often a mistake arises from entering an amount on the wrong side of the Ledger. This will cause you to differ by double that amount in your Balance. Therefore look for *half* your difference in the Ledger. You may possibly find it entered twice on the Dr. side and not at all on the Cr. side (or *vice versâ*).

3. If the difference is a simple amount (such as £100, £1, £2, 10*s.*, 10*d.*, or 6*d.*), try your castings again. The probability is you will find your error there.

4. If the difference consists of 11*d.* (that is one shilling less one penny),—1*s.* 10*d.* (that is 2*s.* less 2*d.*),—2*s.* 9*d.* (that is 3*s.* less 3*d.*), &c., &c., you may always suspect an accidental reversal of figures, as 6*s.* 8*d.* for 8*s.* 6*d.* In the same way a difference of 19*s.* (£1 less 1*s.*); 38*s.*, &c., would lead you to look for a reversal of pounds and shillings. The following table will help to illustrate this :—

7 2	9 4	5 0	The reversed figures differ by *five*.
2 7	4 9	0 5	
4 7	4 7	4 7	Difference 5/- less -/5.
£ *s.* *d.*	£ *s.* *d.*	£ *s.* *d.*	
3 0 0	6 3 0	8 5 0	The reversed figures differ by *three*.
0 3 0	3 6 0	5 8 0	
2 17 0	2 17 0	2 17 0	Difference £3 less 3/-.
624	790	681	The reversed figures differ by *two*.
642	970	861	
18	180	180	Difference 18 (or 2 Tens less 2 Units).

5 Bear in mind the possibility of a double error. For instance :-

Difference £9 19*s.* 6*d.* } May be accounted for thus : £10 in the casting, 0 mistaken for 6.

If none of these plans succeed, you must

6. Tick off. That is, every amount on the Dr. side of the Ledger must be "ticked off" against a corresponding amount on the Cr. side, by putting a tick (√) close to each amount. This process, if carefully done, will be almost certain to reveal the mistake that has caused you so much trouble. If not, take out a new Trial Balance, and if still unsuccessful, begin again and go straight through the whole process perseveringly, as many times as may be necessary, until you come quite right.

II. Value of Stock.

In real life the value of your Goods on hand unsold, has to be found by a process called "Stocktaking;" but in learning Book-keeping, the "value of Stock" is generally given at the end of a series of Transactions. You will see, however, that in some of the Test Exercises at the end of this book you are asked to *calculate* the value of unsold Stock, and instructions are given to enable you to do this on page 89.

III. Find what you are worth by means of Capital Account.

(1.) Balance all "Profit" Accounts, and carry the balance of Profit (or Loss), to P. & L. } Lesson VIII.

(2.) Balance all "Loss" Accounts, and carry the balance of Loss (or Profit), to P. & L. } Lesson IX.

(3.) Balance P. & L. and carry the balance to Capital Acct. } Lesson VII.

(4.) Balance Capital Account and carry the balance down to begin the new account with. } Lesson V.

This Balance tells you what you are *now* worth.

IV. FIND WHAT YOU ARE WORTH BY MEANS OF A BALANCE SHEET.

1. Balance all Accounts, that have not already just been balanced. } Lesson II.

NOTE.—Personal accounts containing entries on one side only need not be balanced.

2. Enter every *Debit* Balance on the *Assets* side of Balance Sheet.

3. Enter every *Credit* Balance, except Capital, on the *Liabilities* side of Balance Sheet,

4. *Balance the Balance Sheet,* calling the Balance "Capital." } Lesson VI.

This Balance tells you what you are *now* worth.

If the Balance of Capital Acct. and the Balance of the Balance Sheet } AGREE,

You have

Proved your Books.

A brief recapitulation of the last three Lessons will help you to bear in mind the right order of procedure.

BEGINNING. (LESSON X.)

1. Balance Sheet.
2. Open Accounts.
3. Enter Amounts
   - Assets on Dr. side.
   - Liabilities on Cr. side.

ENTERING. (LESSON XI).

1. The Account that RECEIVES / comes IN / LOSES on the Dr. side.
2. The Account that GIVES / Goes OUT / GAINS on the Cr. side.

PROVING. (LESSON XII).

CAPITAL ACCOUNT must agree with BALANCE SHEET.

CAPITAL ACCOUNT:
1. Profit Accounts. (Goods).
2. Loss Accounts. (T.E., B.D., Dis.)
3. P. & L.
4. Capital Account.

BALANCE SHEET:
1. Balance all Accounts.
2. Enter Debit Balances as Assets.
3. Enter Credit Balances as Liabilities.
4. Balance Sheet.

N.B.—If you fail to Prove the first time, *Find out exactly how much you differ*, and try to detect your error by one of the means given on pages 75 and 76.

EXAMPLE.

Taking the same Ledger already given for an example, you remember that the state of affairs at starting was as follows :—

ASSETS.	Mr. Short	£ 25.
	,, Long	25.
	Cash	20.
	Bank	50.
	Goods	570.
LIABILITIES.	Mr. Twist	£ 5.
	,, Turner	18.
	,, Smoothy	100.

and from this statement you have already "*opened the Ledger*" according to Lesson X. (see page 64).

Now *Enter* the following

TRANSACTIONS :

Sold £50 worth of Goods for Cash.
Sold £20 worth of Goods to Mr. Long
Drew £10 from Bank.
Paid £6 for Rent.
Bought £30 worth of Goods of Mr. Wyatt.
I pay Mr. Twist £5.
Mr. Long pays me £30.

and your Ledger will stand thus—

LEDGER.

Dr. TWIST. Cr.

£	s.	d.	£	s.	d.
5	0	0	5	0	0

Dr. TURNER. Cr.

£	s.	d.
15	0	0

Dr. SMOOTHY. Cr.

£	s.	d.
100	0	0

Dr. CAPITAL. Cr.

£	s.	d.
567	0	0

Dr. SHORT. Cr.

£	s.	d.
25	0	0

Dr. LONG. Cr.

£	s.	d.	£	s.	d.
25	0	0	30	0	0
20	0	0			

Dr. CASH. Cr.

£	s.	d.	£	s.	d.
20	0	0	6	0	0
50	0	0	5	0	0
10	0	0			
30	0	0			

Dr. BANK. Cr.

£	s.	d.	£	s.	d.
50	0	0	10	0	0

Dr. GOODS. Cr.

£	s.	d.	£	s.	d.
570	0	0	50	0	0
30	0	0	20	0	0

Dr. WYATT. Cr.

£	s.	d.
30	0	0

Dr. TRADE EXPS. Cr.

£	s.	d.
6	0	0

Dr. Cr.

We make a Trial Balance as follows:—

Debits.			Trial Balance.	*Credits.*		
£	*s.*	*d.*		£	*s.*	*d.*
5	0	0	Twist.	5	0	0
			Turner.	18	0	0
			Smoothy.	100	0	0
			Capital.	567	0	0
25	0	0	Short.			
45	0	0	Long.	30	0	0
110	0	0	Cash.	11	0	0
50	0	0	Bank.	10	0	0
600	0	0	Goods.	70	0	0
			Wyatt.	30	0	0
6	0	0	Trade Exps.			
£841	0	0	TOTAL....	£841	0	0

The Value of Stock remaining unsold on Jany. 31, we will suppose to be £555.

(1.) *Goods* is the only "Profit" account. Balancing this I find the Gross Profit to be £25 which I carry to P. & L.

(2.) *Trade Expenses* is the only "Loss" account. This I close, transferring the balance to P. & L.

(3.) Now balancing P. & L. I find, the net Profit to be £19, which I carry to Capital account.

(4.) Lastly, balancing Capital account I find I am *now* worth £586, which amount I carry down to begin the next month with.

Now look at page 77, and again at page 78, and see how far we have got.

I next proceed to balance all the other accounts in the Ledger.

When this is done the Ledger will appear thus :—

LEDGER.

Dr. TWIST. Cr.

£	s.	d.	£	s.	d.
5	0	0	5	0	0

Dr. TURNER. Cr.

£	s.	d.
18	0	0

Dr. SMOOTHY. Cr.

£	s.	d.
100	0	0

Dr. CAPITAL. Cr.

£	s.	d.	£	s.	d.
586	0	0	567	0	0
			19	0	0
586	0	0	586	0	0
			586	0	0

Dr. SHORT. Cr.

£	s.	d.
25	0	0

Dr. LONG. Cr.

£	s.	d.	£	s.	d.
25	0	0	30	0	0
20	0	0	15	0	0
45	0	0	45	0	0
15	0	0			

Dr. CASH. Cr.

£	s.	d.	£	s.	d.
20	0	0	6	0	0
50	0	0	5	0	0
10	0	0	99	0	0
30	0	0			
110	0	0	110	0	0
99	0	0			

Dr. BANK. Cr.

£	s.	d.	£	s.	d.
50	0	0	10	0	0
			40	0	0
50	0	0	50	0	0
40	0	0			

Dr. GOODS. Cr.

£	s.	d.	£	s.	d.
570	0	0	50	0	0
30	0	0	20	0	0
25	0	0	555	0	0
625	0	0	625	0	0
555	0	0			

Dr. WYATT. Cr.

£	s.	d.
30	0	0

Dr. TRADE EXPS. Cr.

£	s.	d.	£	s.	d.
6	0	0	6	0	0

Dr. P. & L. Cr.

£	s.	d.	£	s.	d.
6	0	0	25	0	0
19	0	0			
25	0	0	25	0	0

If now every Balance (remember the three Cautions page 25), is entered in the Balance Sheet on the opposite side to that in which it appears in the Ledger, we shall have

BALANCE SHEET.

Liabilities. (JANY. 31ST.) *Assets.*

	£	s.	d.		£	s.	d.
Turner	18	0	0	Short	25	0	0
Smoothy	100	0	0	Long	15	0	0
Capital (or balance)	586	0	0	Cash	99	0	0
Wyatt	30	0	0	Bank	40	0	0
				Goods	555	0	0
	£734	0	0		£734	0	0

or I may state it thus—

BALANCE SHEET.

	£	s.	d.		£	s.	d.
Debts Payable	143	0	0	Debts Receivable	40	0	0
				Cash	99	0	0
				Bank	40	0	0
				Goods	555	0	0

Whence I find (by balancing) that I am worth £586 on the 31st of the month, and as this is the same amount previously ascertained by means of Capital account I have at last come to the end of my labours—I have proved my books, and they are *right to a penny!*

EXERCISES ON LESSON XII.

(I.) Enter Value of Stock and prove the Test Exercises (A to G.), which you have already begun in the No. 2 Exercise Book. If you *fail* to Prove, look at page 75.

Discount (see LESSON IX.).

Before doing the next Exercise, we will try to make the method of entering *Discount* as plain as possible.

Bear in mind that every Discount transaction requires four entries in the Ledger.

RULE.

1. Credit or Debit the sum of money actually paid or received.

2. The account that is credited or debited with the Cash must be credited or debited with the Discount also.

3. Discount and Cash accounts must either be both credited, or both debited, (not one credited and the other debited.)

EXAMPLE I.

Finding from my Ledger that I owe Mr. Jones £13 8s. 5d., I pay him £13 to settle the account. That is, he allows me 8s. 5d. Discount.

LEDGER ENTRIES.

Dr. *Mr. JONES.* *Cr.*

	£ s. d.		£ s. d.
To Cash	13 0 0	By Balance of acct. due	13 8 5
„ Discount	0 8 5		
	£13 8 5		£13 8 5

Dr. *CASH ACCOUNT.* *Cr.*

	£ s. d.
By Jones	13 0 0

Dr.	*DISCOUNT ACCOUNT.*	*Cr.*
	By Jones	0 8 5

You notice (1.) that the money paid to Mr. Jones (£13) goes to the Dr. side of Jones's account, and the Cr. side of Cash account.

(2.) That the Discount (8*s.* 5*d.*) goes to the Dr. side of Jones's account, and the Cr. side of Discount account.

EXAMPLE II.

Mr. Smith (who owes me £25) settles his account, less 5 % discount.

5 % (or Five per cent) means, Five pounds for every hundred pounds – Five shillings for every hundred shillings, and so on. The easiest way to reckon Five per cent is to turn pounds into shillings, thus : —

	£ *s.* *d.*
Five per cent. on £ 1 is one shilling	(1 0)
Five per cent. on £ 2 is two shillings	(2 0)
Five per cent. on £ 10 is ten shillings	(10 0)
Five per cent. on £ 20 is twenty shillings	(1 0 0)
Five per cent. on £ 50 is fifty shillings	(2 10 0)
Five per cent. on £100 is one hundred shillings	(5 0 0)

A little practice and effort would soon make you very expert in calculating five per cent on any sum of money.

To get at the right way of entering the above you must take one step at a time.

(1.) Calculate five per cent on £25 (25*s.*).

(2.) Notice the word *less*. Mr. Smith did *not* pay me £25, but (£25 less 25*s.*).

(3.) Find the amount actually paid (£23 15*s.*). Now apply the Rule (as follows) :—

(1.) Debit "Cash" and Credit "Mr. Smith" with *the amount actually received.*

(2.) *Mr. Smith* is Credited with the Cash ; therefore *Mr. Smith* must be credited with the Discount.

(3.) Cash account is *Debited* ; therefore Discount account must be *debited.*

LEDGER ENTRIES.

Dr. *Mr. SMITH.* *Cr.*

	£ s. d.		£ s. d.
To Balance of acct. due	25 0 0	By Cash	23 15 0
		,, Discount	1 5 0
	£25 0 0		£25 0 0

Dr. *CASH.* *Cr.*

	£ s. d.
To Smith	23 15 0

Dr. *DISCOUNT.* *Cr*

To Smith 1 5 0

Caution. Do not put Discount in "Cash Account"!

(II.) Work out and Prove Test Exercises II. to L. (or as many of them as may be necessary) in Exercise Book No. 2.

Bad Debts (see LESSON IX.).

The next Exercise contains some "Bad Debts," and will perhaps need a little explanation. To "write an account off as a bad debt" means to balance that account and carry the *balance* to "Bad Debts" account.

To "accept a Composition" is to receive part of the amount due, and *then* balance the account, and carry the balance to Bad Debts account. A debtor who finds himself insolvent, lays all his affairs open to his Creditors, and asks them to receive a part of what is due to them, and to cancel the obligation as though he had paid his debts in full. When a proposal of this kind is made and agreed to, the Debtor is said to have "compounded" with his Creditors, and the Creditors are said to have accepted a composition of so much in the pound. If you are in any difficulty about a transaction of this kind, adhere to the following

RULE.

1. Find how much money was actually received.
2. Debit Cash account with the amount *received*.
3. Credit the account of the party who *gave* the cash.
4. Balance the account you have just Credited.
5. Carry the balance to Bad Debts account.

Caution.—*Do not put the Composition in Bad Debts account!*

EXAMPLE.

I accept Composition of 5s. in the £ from Jones and Co., who owe me £18.

Mr. Jones's account in the Ledger stands thus :—

Dr. *JONES & Co.* *Cr.*

To Goods .....£ 18 0 0 |

1. The Cash actually received was of course eighteen times 5*s.*, *i.e.*, £4 10*s* 0*d.*

2. Therefore I must Debit Cash account £4 10*s.* 0*d.*

3. I must also Credit Jones and Co. £4 10*s.* 0*d.*

4. Now balancing Jones and Co's account, I find there is a balance of £13 10*s.* 0*d.*

5. This balance I carry to Bad Debts account.

LEDGER ENTRIES.

Dr. *JONES & Co.* *Cr.*

	£ s. d.		£ s. d.
To Goods	18 0 0	By Composition.....	4 10 0
		,, Balance, card. to B. D.	13 10 0
	£ 18 0 0		£ 18 0 0

Dr. *CASH.* *Cr.*

	£ s. d.		
To Jones & Co.	4 10 0		

Dr. *BAD DEBTS.* *Cr.*

To Jones & Co. ..... 13 10 0 |

(III.) Work out and **Prove** Test Exercises M. to Q. (as many as are necessary) in Exercise Book No. 2.

Value of Stock (see pages 45 and 76).

You are asked in the next exercise to calculate the Value of Stock at the end of the month. Perhaps you think that, as you would balance *Cash account* to get at the value of *Cash in hand*, so by balancing *Goods account* you could get at the value of *Goods in hand?* Now this *would* be the case if you bought and sold your Goods at the same prices, but as the selling and cost prices do not agree, it is useless to attempt to ascertain value of unsold Stock in this way. You must get rid of the idea of price (for a moment) and think only of QUANTITY.

When you have to find "Value of Stock" at the end of the month, make out your Goods account with an *inner column* for the *Quantity*, as in the Example below. Then attend to the following

RULE.

1. Balance the *inner* column to find the *Quantity* of Stock in hand.

2. Calculate (by practice) the value of the quantity you have just found, *at cost price.* This will be the Value of Stock.

Dr. *GOODS ACCOUNT.* *Cr.*

	Quantity.	Value.		Quantity.	Value.
Stock in hand	120 @ 18s.	£108	Sales	100 @ 24s.	£120
Purchases ...	50 @ 18s.	45	Stock at end of month	70 @ 18s.	
	170			170	

(IV.) Work out and Prove Test Exercises R. to Y. (or as many as are necessary) in Exercise Book No. 2.

LESSON XIII.

How to prepare entries for the Ledger. (First Method).

(JOURNAL).

Before we can make a proper entry of a Transaction in the Ledger, we must know, as we said in Lesson XI—

1. Where to write.
2. What to write.

The *Journal* has a two-fold use corresponding to these two questions. It acts, *first*, as a sort of check upon the accuracy of the Ledger by reminding us of the double entry that must be made of every transaction, and by stating which account in every case is to be debited, and which is to be credited.

The *second* purpose of the Journal is to set down such particulars of each transaction as it may be thought desirable to keep on record.

The nature of these particulars varies very much, not only with the kind of business, but also with the account in which the entry has to be made.

In *Cash account*, for example, we should wish to see not only the amounts paid and received, but also the dates when they were paid or received, and the name of the person to whom they were paid, or from whom they were received.

In *Goods account* it would be desirable to have the name of the purchaser and seller of the Goods as well as the date and amount of each transaction. It might, also, in some cases (see Test Exercise R), be necessary to have particulars of the Goods sold.

In *Personal accounts* we want to know, not only *how much* the person in question owes me (or I owe him), but also what it was for and the date or dates when the debt was incurred.

Note. In general it is best to have in the Ledger as brief a statement as possible, putting *full* particulars in some other book, and noting in the Ledger the page where those particulars are recorded.

The Rule given on page 69 for entering transactions will very much help you in "journalising," as it will always enable you to do the most important part of journal work, that is, telling what account is to be debited and what account is to be credited. You will observe (page 94) that the names of these accounts occupy the first wide column on each page of the Journal. The next column is for the particulars to be entered in words in the Ledger. You will best learn what to put here by carefully studying the examples given, which embrace all the ordinary kinds of business transactions.

EXAMPLE.

Journalise the following Transactions :—

			£	s.	d.
Jan.	1	Sold Goods for Cash	5	5	0
,,	2	Bought Goods of W. Jackson	10	7	0
,,	3	Sold Goods to R. Robertson	3	13	6
,,	4	Paid for Wages.....	12	0	0
,,	5	Drew from Bank	100	0	0
,,	6	Received of W. Norris	25	0	0
		Discount	2	1	4
,,	7	Sold Goods to E. Houghton, he paying me half in Cash	18	8	6
,,	8	Accept Composition of 5*s.* in the £ on Mr. Newton's debt of £10	2	10	0

		£	s.	d.
Jan. 9	Take Stationery out of Stock for Office use...	0	12	6
„ 10	Gas account for last quarter sent in	6	19	10
„ 11	Purchase Business Premises for cash	500	0	0
„ 12	Settle last quarter's Gas account	6	19	10
„ 13	Drew Cash for Personal expenses	15	0	0
„ 14	E. Houghton pays remainder of Cash due, for Goods bought on Jan. 7 .....viz:	9	4	3

The kind of Journal in ordinary use is shown below—

		Drs.			*Crs.*		
1	Cash Dr.	5	5	0			
	To Goods				5	5	0
2	Goods Dr.	10	7	0			
	To W. Jackson				10	7	0
3	R. Robertson Dr.....	3	13	6			
	To Goods				3	13	6
4	Trade Expenses Dr....	12	0	0			
	To Cash				12	0	0
	(For Wages and Salaries) ..						
5	Cash Dr.	100	0	0			
	To Bank				100	0	0
	Cash Dr.	25	0	0			
6	Discount Dr.	2	1	4			
	To W. Norris				27	1	4

The above is the best ruling for Examination purposes, but the ruling adopted over leaf is recommended for beginners.

Ledger Folio.	Date.	Name of Acct. "Where to write."	Particulars. "What to write."	£	s.	d.
	1878					
94	Jan. 1.	Cash	Dr. To Goods	5	5	0
95	,, 2	Goods	Dr. To Jackson.....	10	7	0
95	,, 3	R. Robertson	Dr. To Goods	3	13	6
95	,, 4	Trade Expns.	Dr. To Wages	12	0	0
94	,, 5	Cash	Dr. To Bank.....	100	0	0
	,, 6	Do.	Dr. To Norris	25	0	0
	,, ,,	Discount	Dr. To do.	2	1	4
	,, 7	Cash	Dr. To Houghton.....	9	4	3
	,, ,,	E. Houghton	Dr. To Goods	9	4	3
			(The above might have			
	,, 7	E. Houghton	Dr. To Goods	18	8	6
	,, ,,	Cash	Dr. To Houghton.....	9	4	3

(where Houghton is first debited with the *whole amount* and then a judgment as to which would be the better plan).

	,, 8	Cash	Dr.	To Newton & Co.	2	10	0

(You will remember that Newton's account has to be balanced ; and transferred to another account, some Book-keepers always make a Journal

	,, ,,	Bad Debts	Dr.	To Newton.....	7	10	0
	,, 9	Trade Expns.	Dr.	To Stationery ...		12	6
	,, 10	Do.	Dr.	To Gas, 1 qr.....	6	19	10
				(The above entry ought strictly to have			
	,, 11	Business Prms.	Dr.	To Warehouse situate in High St	500	0	0
	,, 12	Gas Comp.	Dr.	To Cash	6	19	10
				(Not "Trade Expenses Dr." You will			
	,, 13	Capital acct.	Dr.	To Private exps....	15	0	0
	,, 14	Cash	Dr.	To Houghton.....	9	4	3

Ledger Folio.	Date.	Name of Acct. "Where to write."		Particulars. "What to write."	£	s.	d.
	1878						
95	Jan. 1.	Goods	Cr.	By Cash	5	5	0
95	,, 2	W. Jackson	Cr.	By Goods	10	7	0
95	,, 3	Goods	Cr.	By Robertson.....	3	13	6
94	,, 4	Cash	Cr.	By Wages	12	0	0
95	,, 5	Bank	Cr.	By Cash	100	0	0
	,, 6	W. Norris	Cr.	By Cash	25	0	0
	,, ,,	Do.	Cr.	By Discount	2	1	4
	,, 7	Goods	Cr.	By Houghton.....	9	4	3
	,, ,,	Do.	Cr.	By do.....	9	4	3

been Journalised thus) :

	,, 7	Goods	Cr.	By Houghton	18	8	6
	,, ,,	E. Houghton	Cr.	By Cash	9	4	3

credited with Cash for half. Compare these two methods and try to form

	,, 8	Mr. Newton	Cr.	By Comp. 5*s.* in £	2	10	0

the *balance* carried to Bad Debts. When the balance of one account is entry (called a "Transfer entry"), as follows :—

	,, ,,	Mr. Newton	Cr.	By Balance transferred to Bad dts-	7	10	0
	,, 9	Goods	Cr.	By Trade Exps....	0	12	6
	,, 10	Gas Comp.	Cr.	By 1 qrs. Gas.....	6	19	10

been made at the end of the previous year.

	,, 11	Cash	Cr.	By Business Premises	500	0	0
	,, 12	Do.	Cr.	By Gas Comp. ...	6	19	10

see why not if you look at the entry on Jan. 10).

	,, 13	Cash	Cr.	By Self	15	0	0
	,, 14	E. Houghton	Cr.	By Cash	9	4	3

When entries have been thus prepared for the Ledger they must be afterwards *posted* or transferred into the Ledger.

POSTING THE JOURNAL.

1. Open the Ledger at the account named in the Journal.

2. Enter the date, particulars, and amount on the same side in the Ledger as that in which they appear in the Journal.

3. Enter the Journal folio in the Ledger.

4. Enter the Ledger folio in the Journal.

N.B.—Post up day by day. That is, *post* the Journal entries of Jany. 1st. before *making entries* in the Journal for Jan. 2nd.

The following example of the posting of the first five entries of the Journal, on pages 94 and 95, will be sufficient to show the manner of posting.

LEDGER.

Dr. *CASH ACCOUNT.* *Cr.*

		Jnl. Fo.	£	s.	d.			Jnl. Fo.	£	s.	d.
Jan. 1	To Goods ...	92	5	5	0	Jan. 4	By Wages ...	93	12	0	0
„ 5	„ Bank ...	92	100	0	0						

Dr. *GOODS.* *Cr.*

	Jnl. Fo.					Jnl. Fo.			
Jan. 2 To Jackson .	92	10	7	0	Jan. 1 By Cash ...	93	5	5	0
					Jan. 3 „ Robertson	93	3	13	6

Dr. *R. ROBERTSON.* *Cr.*

Jan. 3 To Goods ...	92	3	13	6					

Dr, *TRADE EXPENSES.* *Cr.*

Jan. 4 To Wages...	92	12	0	0					

Dr. *W. JACKSON.* *Cr.*

					Jan. 2 By goods ...	93	10	7	0

Dr. *BANK.* *Cr.*

					Jan. 5 By Cash ...	93	100	0	0

The series of Exercises following this lesson is supposed to represent your own business transactions as a merchant for twelve months.

INSTRUCTIONS.

First "open the Books." Then Journalise the Transactions for January. Then Post, and Prove. The books have to be balanced and proved, at the end of every month. The balances that are then carried down answer the purpose in each case for the *next* month, so that the work of "opening the Ledger" has only to be done once.

When you have Journalised, Posted, and Proved, as far as June 30, study Lesson XIV., and finish the series in the manner shown you in that Lesson.

EXERCISE ON LESSON XIII.

An Exercise Book (No. 4) has been specially ruled and prepared for this series of Transactions. Full instructions how to proceed are given on the wrapper.

JANUARY 1ST, 1876.

		£	s.	d.
Assets.	Cash	22	3	7
	Goods	2,488	10	0
	Bank	361	5	4
	T. Jenkins	12	12	0
	E. A. Freeman	240	1	8
	S. Newth	826	18	0
	P. A. Nuttall	100	0	0
	Henry and Scott	319	13	6
	White and Riddle	53	0	7
Liabilities.	J. E. Carpenter	1,241	7	11
	R. Blakelock	86	18	0
	T. K. Arnold	490	11	1
	J. P. Hall	105	0	0
	W. Cobbett	500	0	0

TRANSACTIONS.

(JANUARY).

3	Sold Goods for Cash	100	0	0
4	S. Newth pays into Bank	500	0	0
7	Nuttall settles, (less 5 %)			
8	Sold Goods to H. Stapleton	750	0	0
10	,, ,, White and Riddle	95	6	4
12	Bought ,, of T. K. Arnold	1,200	0	0
13	Drew from Bank	800	0	0
14	Received of Henry and Scott	300	0	0
	Discount	19	13	6
20	Paid J. E. Carpenter	1,200	0	0
	Discount	41	7	11
22	Sold Goods to S. Newth	188	14	2
23	S. Newth settles.			

JANUARY *(continued)*.

		£	s.	d.
25	Sold Goods to W. H. Goold	330	0	0
27	Paid for Trade Expenses	40	0	0
,,	Sold Goods for Cash	20	0	0
30	Bought ,, of J. P. Hall.....	52	10	0
31	Drew for Private Expenses	25	0	0
,,	Value of unsold Stock	2,546	19	6

(FEBRUARY).

2	Sold Goods to Mr. Jenkins	8	5	0
,,	,, ,, ,, Freeman	150	0	0
,,	,, ,, ,, Nuttall.....	200	0	0
3	Settled Hall's account. Discount.....	7	10	0
5	Sold Goods to Mr. Jenkins	35	0	0
7	,, ,, ,, Nuttall.....	775	0	0
,,	Bought ,, of ,, Cobbett	1,000	0	0
10	Sold ,, to ,, Freeman.....	28	0	0
15	,, ,, ,, Jenkins	5	0	0
16	Bought ,, White and Riddle.....	181	8	10
21	Sold ,, for Cash	60	0	0
,,	,, ,, to Mr. Freeman.....	74	0	0
25	,, ,, ,, G. H. Finch.....	344	15	0
28	Trade Expenses for the month.....	32	6	11
,,	Drew for self	25	0	0
,,	Value of Goods unsold	2,280	9	11

(MARCH).

1	Paid into Bank	400	0	0
4	Received of W. H. Goold	330	0	0
5	Received of Mr. Finch	200	0	0
10	Mr. Nuttall settles (less 5 %)			
,,	Settle Cobbett's account (less 5 %)			

MARCH *(continued)*.

		£	s.	d.
12	Sold Goods to E. C. Clark	1,050	0	0
17	,, ,, Mr. Freeman.....	100	0	0
18	Bought ,, of ,, B. Owen	740	0	0
20	,, ,, Longfield and Wilkie.....	505	0	0
26	Clark settles (less 5 %)			
30	Paid into Bank	1,000	0	0
31	Freeman sells me £500 worth of Goods and pays balance of his account.			
,,	Trade Expenses	71	0	0
,,	Private do.	50	0	0
,,	Goods in hand	3,025	9	11

(APRIL).

1	Stapleton settles (less 5%).			
17	Sold Mr. Jenkins Goods	12	3	0
20	Mr. Finch pays on account.....	100	0	0

("On account" means "in *part* payment," "not in *settlement*.")

21	Settle Mr. Owen's account (less 5 %).			
,,	Sold Goods to Fawcett and Son.....	306	0	0
25	Accept Composition of 10/- in the £ on Jenkins's account.			
27	Sold Goods for Cash.....	1,800	0	0
28	Paid T. K. Arnold	1,000	0	0
30	Trade Expenses.....	27	9	8
,,	Drew for Private do.....	50	0	0
,,	Value of Stock	1,158	8	6

(MAY).

5	Paid into Bank	800	0	0
6	Bought Goods of J. E. Carpenter	2,500	0	0
9	Sold ,, Fawcett and Son.....	120	0	0
10	,, ,, Mr. Nuttall	696	0	0
11	,, ,, Henry and Scott	100	0	0

MAY *(continued)*.

			£	s.	d.
19	Sold Goods to Mr. Finch		508	7	6
,,	,, ,,	Longfield and Wilkie.	150	0	0
24	,, ,,	Barry and Son	30	0	0
25	,, ,,	Mr. Freeman	308	9	9
27	,, ,,	,, Nuttall	25	0	0
31	Trade Expenses		58	5	0
,,	Private do.		50	0	0
,,	Value of Stock		2,078	16	3

(JUNE).

1	Settle Arnold's account *by cheque*.				
	(That is, by payment made from *Bank*).				
8	Sold Goods to Mr. Nuttall		187	0	0
10	,, ,,	Charles Hole	450	0	0
14	,, ,,	Fawcett and Son	35	0	0
15	Drew from Bank		1,000	0	0
17	Mr. Finch settles.	Discount	3	2	6
18	,, Nuttall pays me		500	0	0
20	Paid for Wages		20	0	0
25	Paid J. E. Carpenter		1,500	0	0
30	Drew for self		50	0	0
,,	Paid for sundry Trade Expenses		20	0	0
,,	Value of Stock		1,528	16	3

Study Lesson XIV., and finish this series in the manner there described.

(JULY).

7	Settle Blakelock's account.				
10	Bought Goods of Longfield and Co.		200	0	0
11	,, ,,	T. K. Arnold	1,000	0	0
17	Sold ,,	to Mr. Nuttall	341	5	8
18	,, ,,	Barry and Son	59	0	0
20	,, ,,	for Cash	150	0	0
22	,, ,,	to Henry and Scott	300	0	0

JULY *(continued)*

		£	s.	d.
23	Sold Goods for Cash	1,250	0	0
26	Freeman settles. Discount	8	9	9
27	Settle Arnold's account, (less 5 %).			
29	,, Carpenter's account.			
31	Private Expenses	50	0	0
,,	Trade Expenses	25	8	7
,,	Value of Stock	912	8	11

AUGUST.

3	Received of Mr. Nuttall	500	0	0
5	,, ,, C. Hole	450	0	0
5	Paid White and Riddle	33	0	0
,,	Discount	0	1	11
11	Bought Goods of Longfield and Wilkie	50	0	0
25	Paid Longfield and Wilkie	500	0	0
31	Trade Charges for August	18	10	0
,,	Drawn for Personal Expenses	100	0	0
,,	Value of Stock	962	8	11

(SEPTEMBER).

16	Bought Goods of T. K. Arnold	22	11	1
18	,, ,, J. E. Carpenter	1,423	8	9
,,	,, ,, J. P. Hall	88	6	7
,,	,, ,, W. Cobbett	150	0	0
19	,, ,, Longfield and Wilkie	234	12	8
,,	,, ,, B. Owen	1,361	6	6
22	,, ,, R. Talboys	2,000	0	0
25	Sold ,, to Mr. Nuttall	161	11	1
28	,, ,, do.	20	4	3
30	Drawn for self	50	0	0
,,	Trade Charges for the month	61	0	0
,,	Value of Stock	6,092	14	6

(OCTOBER).

		£	s.	d.
7	Sold Goods to Barry and Son	50	0	0
12	,, ,, Mr. Newth	300	0	0
13	,, ,, Fawcett and Son.....	165	0	0
14	,, ,, Mr. Nuttall	211	8	11
16	,, ,, Barry and Son.....	11	6	6
,,	,, ,, Mr. Nuttall	64	12	9
27	,, ,, Henry and Scott	500	0	0
28	,, ,, for Cash	1,236	10	6
,,	Mr. Nuttall pays me on account	1,000	0	0
29	Settle Hall's account.			
,,	,, Cobbett's account (less 5 %).			
31	Trade Expenses.....	31	4	5
,,	Personal do.	50	0	0
,,	Value of Goods on hand.....	3,973	12	4

(NOVEMBER).

1	Sold Goods to Mr. Nuttall	100	0	0
5	,, ,, Fawcett and Son.....	223	8	5
6	Settle Longfield and Wilkie's account.			
9	Sold Goods to Henry and Scott	1,000	0	0
20	J. E. Carpenter sells me Goods	200	0	0
21	Henry and Scott settle. Discount...	25	0	0
23	Sold Goods to Mr. Newth	814	8	6
24	,, ,, ,, Nuttall	542	6	9
26	Settle J. E. Carpenter's account.			
27	Barry and Son pay me	150	0	0
	Discount...	0	6	6
28	Paid T. K. Arnold	22	11	1
,,	Paid into Bank	2,000	0	0
30	,, for Trade Expenses	141	7	8
,,	,, Private do.....	50	0	0
,,	Value of Stock	1,858	8	9

(DECEMBER).

		£	s.	d.
10	Sold Goods for Cash.....	2,000	0	0
12	Settle Talboy's account.			
3	Newth settles. Discount	14	8	6
18	Fawcett and Son pay me	500	0	0
19	Pay B. Owen (in settlement of his claim)	1,350	0	0

This account being now *settled*, must be *closed*—and the balance (if any), carried *away*.

20	Mr. Nuttall pays me	349	9	5
21	Fawcett and Son settle in full.			
30	Cash paid for Trade Expenses	119	11	8
,,	,, ,, into Bank.....	729	5	9
,,	,, taken for self	108	4	0
31	No Goods on hand :—Stock all sold off.			

LESSON XIV.

How to Prepare Entries for the Ledger, (2ND METHOD).

CASH BOOK & GOODS BOOK.

You will, I am sure, have noticed, in doing the last exercise, two accounts much longer than the others, viz :—Cash and Goods ; and perhaps, in posting from the Journal, you were wise enough to save yourself some little trouble by posting all the entries for Goods account at the same time, and likewise all the entries for Cash ac-

count. Has it occurred to you that it would come to the same thing if you were to enter all those items to Goods (or Cash) account in one line, in one large amount, instead of making six or eight entries of as many small amounts? If not, you may reflect upon the matter, and you will see no reason why this should not be done, both with Goods and Cash accounts. That is to say, the entries for each of these two important accounts, may, if we choose, be collected and all posted in two entries, viz:—one entry for the Dr., and one for the Cr. side.

I must remind you that in real life, the number of transactions in a month would probably be much greater than six or eight. When there are some scores, or perhaps hundreds of transactions effected every day, the labour of entering and posting these is very considerable, and it becomes a serious question whether it can in any way be abridged.

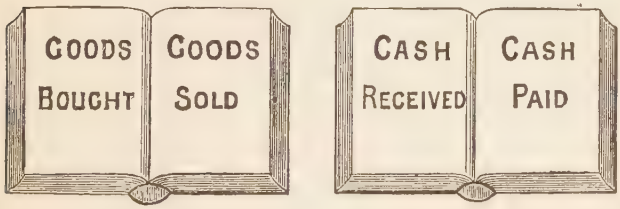
Let us see then, whether we cannot adopt some system of classification, by means of which the labour of posting may be lightened, without interfering with the principle of entering every transaction in two places. For we must clearly

bear in mind that it is this principle which enables us to "prove our books," and that if (in our endeavours to shorten labour) we lose sight of this, we shall never be able to prove; and after all our labours shall not feel at all certain whether our result is right or wrong! But if we hold fast to this *Key*, that **every Debit must have a corresponding Credit,** we may introduce whatever new ideas or modifications of old ones our ingenuity can suggest, as being in any way likely to shorten our work, or as being better adapted to the particular business or profession in which we may be engaged.

We will suppose then, that we collect all those entries that refer to Goods, and arrange them in two divisions:—Goods Inwards (or Goods bought), and Goods Outwards (or Goods sold). We will do the same with those entries that refer to Cash; arranging these as Cash Inwards (or Cash Received), and Cash Outwards (or Cash Paid).

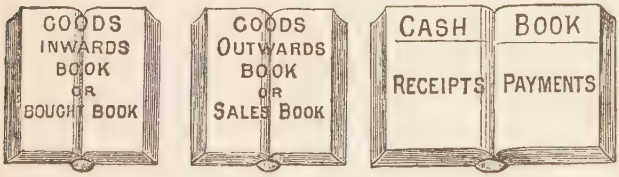
(1.) This work of classifying and arranging might easily be done by using two books, which we should call Goods Book and Cash Book, and by entering the transactions on either the right-

hand or the left hand page, according to whether the Goods or Cash came In or went Out.



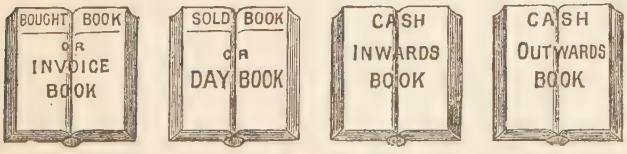
(This plan is the best in Examination Papers, and also in Trade when the number of transactions is not very great.)

Or (2) you might use three Books.



(This plan is the one most commonly adopted in business).

Or (3) by dividing the Cash Book as well as the Goods Book you could use four Books.



(This is the best plan when the number of Cash Transactions is sufficiently large).

Now let me try and explain to you exactly how his method of classifying your transactions saves abour. Take by way of example the following:—

TRANSACTIONS.

Bought Goods of		J. Harper	£ 20
,,	,,	R. Green	10
,,	,,	W. Holland	5
,,	,,	E. Grant	12
,,	,,	A. Love	6
,,	,,	M. Turner	50
			£103

Each of these transactions in Journalising would require a *double* entry, and each of the twelve entries thus made would require posting. That is, by Journal work you would have twelve entries and twelve postings.

Now according to this second method, you begin by making a *single* entry of each transaction in the Goods Book; and each of these six entries will have to be posted in the Ledger. Thus you will have the same six Credit entries and six Credit postings, that you had in journalising. But instead of making six Debit entries and six Debit postings as in the Journal, you add up the bought side of the Goods Book, and make only *one* entry to the Debit of Goods account, which entry you post accordingly. It

is plain, however, that the amount of this *one* Debit posting is equal to that of six Credit postings, so that you have not (in effect) broken the golden rule of Book-keeping, that every debit must have its corresponding credit, whilst you have effected a saving of five entries and five postings.

GOODS BOOK.

(Bought Side).

J. Harper	Cr. By Goods	£	20
R. Green	Cr. By do.		10
W. Holland	Cr. By do.		5
E. Grant	Cr. By do.		12
A. Love	Co. By do.		6
M. Turner	Cr. By do.		50
Goods account Dr. to Purchases.....		£	103

The Rule for making entries by this method is exceedingly simple. There are three books for making entries of transactions in :—

1. GOODS BOOK : { for all Sales and Purchases of Goods.
2. CASH BOOK : { for all payments and receipts of Cash.
3. JOURNAL : { for all transactions that do not refer either to Cash or Goods.

We will now take the same Transactions that were Journalised in our last Lesson (see page 92), and prepare them for the Ledger by means of Cash Book and Goods Book.

CASH RECEIVED.

Ledger Folio.	Date.	Name of Acct.	Particulars.	£	s.	d.
	1878 Jan. 1	Cash sales		5	5	0
95	,, 5	Bank		100	0	0
	,, 6	W. Norris		25	0	0
	,, 7	E. Houghton ...		9	4	3
	,, 8	Mr. Newton.....	Comp. 5/- in £...	2	10	0
	,, 14	E. Houghton ...		9	4	3
113	,, 31	Cash account Dr.	To Receipts	£151	3	6

GOODS BOUGHT.

Ledger Folio.	Date.			£	s.	d.
95	1878 Jan. 2	W. Jackson	Goods as per Inv.	10	7	0
113	,, 31	Goods acct. Dr.	To Purchases ...	£ 10	7	0

JOUR

				£	s.	d.
	1878 Jan. 6	Discount Dr.	To Norris	2	1	4
	,, 8	Bad Debts ,,	,, Newton	7	10	0
	,, 9	Trade Expns ,,	,, Stationery ...	0	12	6
95	,, 10	Trade Exps. ,,	,, Gas, 1 qr. ...	6	19	19

BOOK.

PAID.

Ledger Folio.	Date.	Name of Acct.	Particulars.	£	s.	d.
	1878 Jan. 4	Trade Expenses .	Wages	12	0	0
	,, 11	Business Prms....	Warehouse No. 2	500	0	0
	,, 12	Gas Company ...		6	19	10
	,, 13	Capital account .	Self	15	0	0
113	,, 31	Cash account Cr.	By Disbursemts..	£ 533	19	10

BOOK.

SOLD.

Ledger. Folio.	Date.			£	s.	d.
	1878 Jan. 1	Cash sales.....	The nature and and quantity of the articles sold may be specified here.	5	5	0
95	,, 3	R. Robertson ...		3	13	6
	,, 7	E. Houghton ...		18	8	6
113	,, 31	Goods acct. Cr.	By sales	£ 27	7	0

NAL.

				£	s.	d.
	1878 Jan. 6	W. Norris Cr.	By Discount.....	2	1	4
	,, 8	Mr. Newton ,,	,, Trsf. to Bd Dts	7	10	0
	,, 9	Goods acct. ,,	,, Trade Charges	0	12	6
	,, 10	Gas Comp. ,,	,, 1 qrs. Gas ...	6	19	13

You will notice that the Transaction on the 1st refers both to Cash and Goods. It must therefore be entered in *both* books, and neither entry need be posted. They should be carefully "ticked off," one against the other.

The entries having been thus prepared for the Ledger must now be posted. The following Rules will guide you—

POSTING GOODS BOOK.

1. Open the Ledger at the account named.

2. Enter the date and amount with the words "To Goods" or "By Goods" on the opposite of the Ledger to that in which they appear in the Goods Book.

3. Transfer the Totals of both sides of Goods Book to the same side of Goods account in the Ledger.

4. Enter the folio of G. B. in the Ledger.

5. Enter the Ledger folio in G. B.

POSTING CASH BOOK.

1. Open the Ledger at the account named.

2. Enter the date and amount, with the words "To Cash" or "By Cash" on the opposite side of the Ledger to that in which they appear in the Cash Book.

3. Transfer the Totals of both sides of the Cash Book to the same side of "Cash Account" in the Ledger.

4. Enter the folio of C. B. in the Ledger.

5. Enter the Ledger folio in C. B.

EXAMPLES OF POSTING INTO THE LEDGER.

Dr. *Cash Account.* *Cr.*

1878		Folio.	£	s.	d.	1878		Folio.	£	s.	d.
Jan. 1	To Balance ...		735	0	0	Jan. 31	By Disbursmts.	109	533	19	10
,, 31	,, Receipts ...	108	151	3	6	,, ,,	,, Balance card. down		352	3	8
			886	3	6				886	3	6
Feb. 1	To Cash in hand		352	3	8						

Dr. *Goods Account.* *Cr.*

1878		Folio.	£	s.	d.	1878		Folio.	£	s.	d.
Jan. 1	To Goods in hand		100	0	0	Jan. 31	By Sales	109	27	7	0
,, 31	,, Purchases ...	108	10	7	0	,, ,,	,, Goods in hd. card. down		90	0	0
,, ,,	,, Net Profit ...		7	0	0						
			117	7	0				117	7	0
Feb. 1	To Goods in hd.		90	0	0						

EXERCISE ON LESSON XIV.

Continue the Transactions at the end of Lesson XIII., working them out in Exercise Book No. 4 thus:—

1. Enter the Transactions, July to December, in Goods Book and Cash Book, using a Cash Book with Discount columns as shown in the Appendix (page 187).

2. Post from these Books into the same Ledger you have already begun.

3. Balance and *Prove each month* before beginning the next.

LESSON XV.

About Bills and Cheques.

We will begin by asking the question,

WHAT IS A BILL?

Perhaps you think you partly know already: let us see how far you are right.

You have heard people talk a good deal about "*Bills*" at Christmas time—you have possibly seen some one very busily engaged "making out *Bills*," and you may have observed some of your friends receiving these "Bills," and examining them with somewhat troubled countenances, as they said, "Dear me, what a long *Bill*."

Or you have been commissioned by your parents to make certain "purchases" for them, and you were to be sure to ask the shopman to give you the "*Bill*."

Now it may perhaps astonish you to learn that (in Book-keeping) these things are not called "*Bills*" at all! You will see the right name for them if you go on reading.

INVOICES AND RECEIPTS.

When a number of things have been sold to one person *at one time*, the seller usually makes a list of these Goods, and adds up the prices to find the total amount of that Transaction.

Such lists are called "Invoices" (or in old-fashioned books "*Bills of Parcels*").

If the buyer wishes to pay for the Goods at once, the seller writes at the foot of the "Invoice":

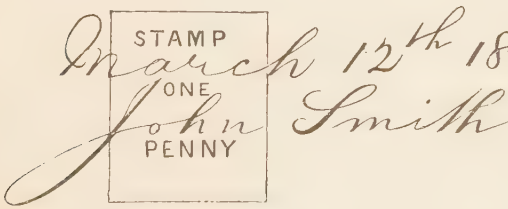
1st. The word "Paid" or "Received."

2nd. The date.

3rd. His own name.

(putting a penny stamp on, and writing over it, when the total is £2 or more). Thus:

Received



and now the "Invoice" is said to be "receipted," and is usually called a "*Receipt*"

ACCOUNTS; or, STATEMENTS OF ACCOUNT.

When a number of Goods have been sold to one person *at different times*, the seller makes out a list of *all* these Goods at the end of the year (or at some other time agreed upon beforehand). This list is called an "Account."

If, however, "Invoices" have already been given to the buyer, at the time of the purchase of each "lot" or "parcel" of Goods,—then it is not thought necessary to make out a complete list *all over again!* so the seller merely puts down the date and amount of each lot of Goods. This is called a

STATEMENT OF ACCOUNT.

Mr. John Smith — Christmas, 1883.

Dr. **To Mr. James Brown.**

		£	s.	d.
Jan. 18.	To Goods as per Invoice	4	2	6
Feb. 4.	,, ,, ,, ...	12	8	0
July 11.	,, ,, ,, ...	15	15	0
Nov. 30.	,, ,, ,, ...	7	2	0
		£39	7	6

If there are "Credits" as well as "Debits," the "Statement" is made out in the Dr. and Cr. form (see Lesson II.), being in fact a simple and exact copy of the *buyer's* account, as it stands in the *seller's* Ledger

Since Invoices and Accounts are *not* "*Bills*," we come once more to the question we started with, "What *is* a Bill?"

A Bill is a written promise to pay a certain sum of money on a certain day.

These "Bills" (or written promises) are made out in two very different ways:

The first way is { easier to understand but not so often used.

The second is { the one generally used but not so easy to understand.

THE FIRST WAY OF MAKING OUT A BILL.

The person who is going to give his written promise gets a proper stamped form, from a

Bill stationer, and writes his promise on it as follows :—

When the Bill is made out in this way it is called

A PROMISSORY NOTE.

£100 0 0 CAMBRIDGE, February 25, 1883.

STAMP ONE SHILLING.

Three months after date, I promise to pay to Mr. John Smith or his order, the sum of one hundred pounds for value received.

JOHN JONES.

Payable at Messrs. FOSTER & Co.'s,
Bankers,
Cambridge.

EXPLANATION.

"*Three months after date.*" These words are always put first. They give the Term of the Bill, or the time that will elapse before the bill falls due. This bill appears to fall due on May 25, that is three calendar months after the date; but to find the true "due date," three days (called "Days of Grace") must always be added according to law; so that the above Promissory Note is really due on May 28.

"*I promise to pay.*" "I" means of course the person who signs his name.

"*To Mr. John Smith or his order.*" The words "or his order," mean that Mr. John Smith must write his name on the back of the bill before he gets the money. Writing one's name on the back of a bill is called "*endorsing*" it.

"*The sum of one hundred pounds.*" The amount must always be written fully *in words*, besides being put in figures just over the stamp.

"*For value received.*" A bill is not legally binding if granted for anything but money (or money's worth). These words are therefore added to show that actual "*value*" has been received in exchange for the bill.

"*Payable at,*" &c. The person who will have to pay the bill usually puts the name of some Bank where he has money, and takes care to tell the Banker to pay the bill for him on the day it falls due.

STAMP ONE SHILLING.

A Bill is not legally binding unless it has the proper stamp. The cost of the stamp depends on the amount of the Bill.

THE SECOND WAY OF MAKING OUT A BILL.

In order to get you to understand very thoroughly this difficult part of our subject, I will suppose that a certain Mr. William Black owes one Mr. John Brown £100, and that the "*Creditor*," being a somewhat anxious and suspicious fellow, writes the following letter to his "*Debtor*."

BROWN'S REQUEST.

Manchester, Jan. 15, 1883.

Dear Mr. Black,

You remember, I suppose, that you owe me £100. As I shall want the money very shortly, I should be much obliged to you if you could conveniently arrange to pay me by this day month.

I remain,

Yours truly,

John Brown.

To Mr. W. Black,
3, Park Crescent,
Oxford.

Mr. William Black's conduct when he receives this letter is rather strange. Possibly he is a bit of a miser, and wishes to save every scrap

of paper. Anyhow, he writes his answer *across Mr. Brown's letter*, and then returns it to him. If you turn this page sideways, you will see what he has written.

BLACK'S ANSWER.

Manchester, Jan. 15, 1883.

Dear Mr. Black,

*You remember, I suppose, that you owe me £*100. *As I shall want the money very shortly, I should be much obliged to you if you could conveniently arrange to pay me by this day month.*

I remain,

Yours truly,

John Brown.

To Mr. W. Black,
3, Park Crescent,
Oxford.

Dear Brown, I will be sure to pay you on the 15th inst. the money for Barker's.

Yours truly, W. Black.

Mr. Black has now written his "promise to pay" *across Mr. Brown's request*, and this is very nearly like what actually takes place in real life. The *words* are different, but the *meaning* is the same.

The following form shows the exact words used. This would be called

JOHN BROWN'S DRAFT.

£100 0 0 *Manchester, Jan.* 15, 1883.

STAMP ONE SHILLING.

One month after date pay to me or my order the sum of one hundred pounds for value received.

John Brown.

To Mr. W. Black,
3, Park Crescent,
Oxford.

And we say that John Brown has "drawn" on W. Black at one month for £100.

The above draft plainly *means* the same as the letter you have already read, only it does not seem quite so polite. The phrases used have already been explained (page 119).

Mr. Black's answer to this demand of Mr. Brown's is worded in a mysterious fashion, as you will see if you look below. The paper is now called

BLACK'S ACCEPTANCE.

£100 0 0 *Manchester, Jan.* 15, 1883.

STAMP ONE SHILLING.

One month after date pay to me or my order the sum of one hundred pounds for value received.

John Brown.

To Mr. William Black,
3, Park Crescent,
Oxford.

Accepted, payable at L. & C. Bank. Oxford. W. B.

The words "*Acceptance*" and "Accepted," have proved great stumbling-blocks to many young students, for the every-day meaning of the word *Accept* is to *Receive*, and here it seems to mean *Give!* (or at least *Promise to Give*). Besides, it says *accepted* (past tense), as though it were something already done—and so it is!

As soon as Mr. Black has written his name across the bill, he has taken upon himself, or in other words "Accepted," { the Duty or / Obligation } of paying it when it falls due.

You will now, I hope, be able to see through this somewhat singular arrangement.

You must remember that

The man who wants the money "draws" the Bill.
The man who owes the money "accepts" the Bill;
i.e., accepts the duty of paying it when due;
i.e., promises to pay it when due.

Before explaining how to enter Transactions about Bills in the Ledger, I will give you a short

EXERCISE.

Write out in proper legal form the Bills referred to in the following Transactions, saying (in each case) *who* will have to pay the money, and *when* he will have to do so.

NOTE.—Where the First Person is used (or understood), you must put your own name.

Jan. 1, John Smith draws on James Robinson at 2 mo. for £1,000.—Jan. 2, John Smith draws on me at 3 mo. for £50.—Jan. 3, I draw on John Smith at 6 mo. for £150.—Jan. 4, Give A. Baker my Pro. Note at 2 mo. for £400.—Jan. 5, A. Butler gives me his Pro. Note at 4 mo. for £250.—Jan. 6, A. Butler gives me his Acceptance at 3 mo. for £300.—Jan. 7, R. Martin accepts my draft at 1 mo. for £700.—Jan. 8, Accept John Moxon's draft at 3 mo. for £100.—Jan. 9, Give W. Brown my acceptance at 6 mo. for £800.—Jan. 10, Draw on F. Johnson at 1 mo. for £1,200.

You will now very likely ask the question

WHAT IS THE USE OF A BILL?

A very sensible question, for it will help you to see how to enter Transactions about Bills in the Ledger.

(1) The holder of a Bill can obtain the money more quickly and certainly from his Debtor.

(2) A Bill may be (and often is) used as if it were money, being passed from one merchant to another, almost like a bank note. But when this is done, the person who has the Bill, before he parts with it, writes on the back,

"*Pay to Mr. A. B. or his order,*"
(and then his own name) *J. Smith.*

(3) A Bill may be exchanged for Cash (or Discounted) in the manner that will be explained presently (page 133).

BILLS PAYABLE AND BILLS RECEIVABLE.

The next thing we will notice, is the difference between Written Promises (*i.e.* Bills) that I give to other people, and those that other people give to me. The essential difference is simply this:—that if any one gives me *his* Bill, I shall hope to **Receive** the money some day, but if I give *my* Bill I know I shall have to **Pay** the money some day. Thus

it happens that "Bills" are divided into two classes:

"Bills Receivable" (for which I hope to *Receive* the Cash).

"Bills Payable" (for which I shall have to *Pay* the Cash).

But it must not be forgotten that there is *no difference* between the form or way in which these two kinds of Bills are made out. In fact every Bill is both "Payable" and "Receivable"! —a riddle you can very easily solve if you think about it.

Nevertheless you will have to make two accounts in the Ledger for Bills, one for "Bills Receivable," and one for "Bills Payable" (see page 143), and when you are going to make an entry about a Bill, the first question you must decide is whether to call it a B.P. or a B.R. You may therefore learn these two lines by heart if you think they will help you:

{ If accepted by me, }
{ It is called a B.P. }

Now I think we can proceed to learn

HOW TO ENTER TRANSACTIONS ABOUT BILLS.

You must bear in mind that a Bill is a Thing —that is to say, Accounts of Bills (both B.P. and B.R.) are "Real" accounts (Lesson III.) and I am sure you will immediately call to mind the great principle that guides you in making out a Real account. A glance at page 16 will make it clear that we shall have to think about *four kinds* of Transactions relating to Bills:

1. Bills Receivable coming IN
2. Bills Receivable going OUT
3. Bills Payable going OUT
4. Bills Payable coming IN

HISTORY OF A BILL RECEIVABLE.

Let me now give you a short history of a certain B.R., from which you will see how it comes to pass that it has to be entered twice in the Ledger, first when it comes IN, and afterwards when it goes OUT.

There is a man named James Hopkins who owes me £100, and on the 10th of January I "draw" on him for that amount at 2 mo. (see page 122). He "accepts" my draft (page 122), and then hands me his "Acceptance" or "Bill," which you will understand is his written promise to pay me £100 on the 13th of March.

When we wish to say that all this has taken place, viz.—

That I have drawn on Hopkins;
That he has accepted my draft;
And that he has then given the Bill to me;

we do so in any *one* of the following ways:

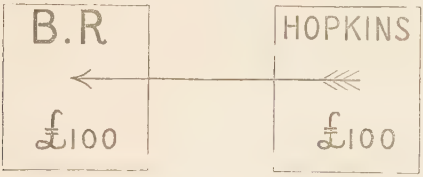
(1) Jan. 10. I draw on J. Hopkins @ 2 mo. for £100.

Or, (2) Jan. 10. Hopkins accepts my draft @ 2 mo. for £100.

Or, (3) Jan. 10. Hopkins { remits / grants / gives } me his { Bill / a/ce / Pro. note } @ 2 mo. for £100.

Thus you see that no less than three facts are packed up (so to speak) in one short line. The essential part of the business is that a B.R. comes IN and is therefore Dr., whilst Hopkins Gives and is therefore Cr. In

Constable's excellent school manual of Book-keeping, this Transaction is exhibited thus:



B.R. Cr.
Case 1.

But let us trace the history of this piece of paper we call a Bill a little further. What becomes of it now? Probably I lock it up in my safe or strong-box, and there it remains until March 13, when I take or send it to that bank at which Hopkins has made it payable, and "present" it for payment. Most likely the money is waiting here for me, and I may take possession of it as soon as I have "endorsed" the Bill (page 119) and given it up to the Bankers. All this is written down in Book-keeping language as follows:

Mar. 13. Hopkins's { Bill / a/ce / Pro. note } duly { met / paid / honoured / retired } on presentation

We can easily see that

{ Cash comes IN and is ∴ Dr.
{ B.R. goes OUT and is ∴ Cr.

The Bankers having now obtained the Bill in place of the Cash which they gave me on behalf of James Hopkins, will return the Bill to him—and he, seeing my "endorsement" on the back, will probably keep it amongst his "receipts" as an evidence that I have had the money. But as soon as the Bill has gone OUT of *my* possession, I (as a Book-keeper) neither know nor care anything about its further adventures.

B.R. Cr.
Case 2.

The Bill, however, does not always go OUT in the manner described. Several other things can happen to it, as I told you when you asked me "What is the use of a Bill?"

Suppose, then, that on the 20th of January, I am talking of buying a lot of Goods of a certain

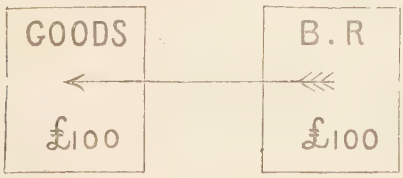
man, and (wishing to make some use of Hopkins's Bill before the 13th of March) I offer to take the Goods for £100 if the seller will take this said Bill in payment. Perhaps he would rather have the money, but he knows Hopkins is "good" for the amount, and not liking to lose the chance of selling his goods, he agrees to my proposal.

Here you have the Transaction as it would be briefly written down:

Jan. 20. Bought Goods £100, for which I gave Hopkins's a/ce in settlement.

And here is the Journal entry:

Goods Dr. to B.R. **Cr.**



B.R. Cr. Case 3.

We will now take another supposition. A certain Mr. Panton, to whom I am in debt for Goods supplied some weeks ago, calls on me in a desperate hurry one morning (Jan. 21) for the

money. It is not convenient for me to pay the Cash, so I bethink me of this Bill of Hopkins's and tender it "on account" (see page 100), offering (if Mr. Panton will take it) to settle the Balance in Cash the next day. This arrangement is agreed to, and the Transaction reads thus :

Jan. 21. Gave Panton Hopkins's Bill in part payment of a/ct.

Which means, when looked into,

Panton Receives and is ∴ Dr.
B.R. goes OUT and is ∴ Cr.

B.R. Cr. Case 4.

But suppose a Fourth Case. On February 4 you are very hardly pressed for money. You do not want Goods, and you cannot find any merchant to take this Bill that you have had in your possession since January 10. You know if you could wait, you would get £100 for it on March 13, but what is the use of that, you

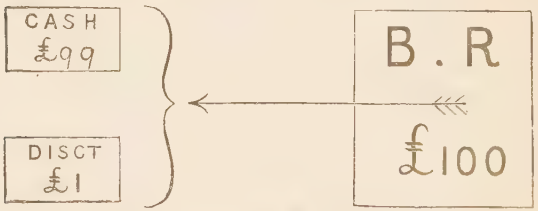
say to yourself. Suddenly a friend appears to whom you tell your troubles. "Why don't you Discount the Bill?" he says immediately. "You must please to pardon my ignorance, my friend, but I don't understand what you mean by *discounting* the bill." Your friend invites you to accompany him to his Banker's and bring the bill with you. Here he addresses the cashier: "Will you discount this bill for my friend?" The cashier examines it carefully and says, "Yes. How will you take it?" You explain that you wish to have Gold. Whereupon he shovels over to you certain coins, which you proceed to count. "But you have only given me £99." "Quite right, sir. One pound has been deducted for *Discount*." So you see you have got the money, but have had to pay something for the accommodation. This Transaction is written down thus:

Feb. 4. Discounted Harris's a/ce, and received Cash £99.
Discount charged £1.

And it may perplex you for a moment to Journalise it. For whilst a Bill for £100 goes OUT, only £99 Cash comes IN, and if you

enter £100 Cr. against £99 Dr., you will most assuredly never "Prove your Books!" But when I remind you that the Transaction has involved a Loss of £1, and that you must Debit some "Loss" account with that pound, you will soon call to mind Lesson IX. and will say

£99 Cash comes IN ∴ I must Debit Cash.
£1 Disct. is a Loss ∴ I must Debit Discount.
£100 B.R. goes OUT ∴ I must Credit B.R.



B.R. Cr. Case 5.

We have not yet done with Hopkins's acceptance. Suppose Hopkins comes to you in great trouble a day or two before the "due date," and tells you he can't possibly manage to meet (*i.e.* pay) your draft on that day. You are bound to present it on the day it falls due, but if you are disposed to think Hopkins is perfectly solvent (page 35) and is doing his best

to pay you, you will perhaps offer to Renew the bill. This simply means that Hopkins would give you a *new* Bill for any "Term" agreed upon, and you would give the *old* Bill back to him. More probably, however, he would pay you a part (say £25) in Cash, when the Transaction would be described in such words as these:

Mar. 13. Received of J. Hopkins £25 Cash, on account of his acceptance due this day, and drew on him @ 1 mo. for the remainder.

Here we should have

Cash £25 and B.R. £75 coming IN.
And B.R. £100 going OUT.

Whilst Hopkins both Gives and Receives. The Journal Entries would therefore be

Cash Dr.	£25	
B.R. Dr.	£75	
To Hopkins Cr.		£100
Hopkins Dr.	£100	
To B.R. Cr.		£100

B.R. Cr. Case 6.

There is just one more possibility that we must not forget. Mr. James Hopkins may be either so unfortunate, or so neglectful, or so unprincipled, as to make no provision for meeting his Bill on the day it falls due. Such conduct as this is considered very dishonourable, and when a man acts thus, we say he has **Dishonoured** the bill. When this occurs, do not rush to the conclusion that you will never get the money and Debit Bad Debts (!), but

{ Debit the man, and
{ Credit the Bill.

You must also "debit the man" with the Interest and other expenses that his neglect has caused you. You will probably get the money in time, or you will be paid partly in Cash and partly by a new Bill, as described in Case 5.

JOURNAL ENTRIES.

Hopkins Dr.	£100 18 0	
To B.R. Cr.		£100 0 0
To Cash Cr. (Expenses)		3 0
To P. and L. Cr. (Interest).....		15 0

THE HISTORY OF A BILL PAYABLE

Will not take us long to tell;—and you will soon see the reason of this. You have not forgotten that a Bill Payable (whether in the form of an Acceptance or a Pro. Note) is a Written Promise, and that it is called "payable" because one day I shall have to "pay" the Cash, therefore it is plain that a "Bill Payable" is *my* written promise to pay some other person.

As soon then as the { Bill Payable / Written Promise } has been made out, it goes OUT of my possession, and I do not trouble what becomes of it until it comes IN again, which will not take place until it is due and I pay the Cash for it. After it has left me it may pass from one person's hands to another's, and may even travel all round the kingdom—that is no concern of mine. Indeed, if I *wished* to know what became of it, I could not tell (without much

trouble), and if I *could* tell, the knowledge would be of no earthly use to me. I may be pretty sure of one thing, viz. that when due it will be "presented" to me (or my Banker) for payment—and let me see to it that the money is there, ready for whosoever may chance to possess and present the Bill

We will say by way of illustration that on the 7th of January I purchase £200 worth of Woollen Goods of a West of England Manufacturer, named Evans, whose Terms are: $2\frac{1}{2}$ % Discount for Cash, or a Bill at 3 months. It would be better for me to pay Cash if I could (for $2\frac{1}{2}$ % in 3 months means 10 per cent. per *annum*), but it so happens that I have special need of the Cash in my business, and I agree to give a Bill. I can either write out my Pro. Note (page 118) and give to Evans, or I can ask him to "draw" on me and I will "accept." In either case

The Manufacturer Receives (a Bill) and is ∴ Dr.

The Bill (Payable) goes OUT and is ∴ Cr

The whole Transaction is worded thus:

Jan. 7. Bought Goods of Evans £200, for which I gave him my Bill @ 3 mo.

Or,

Jan. 7. Bought Goods of Evans £200, and he drew on me @ 3 mo. for that amount.

And is Journalised thus:

1. Goods Dr. to Evans.
2. Evans Dr. to B.P.

A period of three months elapses before I hear anything further of this Bill. It is so important, however, to be ready when the day of payment does arrive, that I use special means to insure my not forgetting it. My first care is to see that there is money enough in the Bank, and my next is to request my Bankers to pay the Bill (on my account) when presented

Accordingly they do so and receive in exchange my Bill which they hand over to me. Perhaps I bestow a curious glance on the paper to see where it has been since last I set eyes on it. Then I carefully put it aside with other similar papers, in case I may want to refer to it some day.

All that the "Transaction" says is,

April 10. Bank pays my a/ce to Evans due this day.

and all that the Book-keeper need notice is that

{ Bill Payable comes IN.
{ Bank (or Cash) goes OUT.

There are two other *possible* things that might happen to a Bill Payable:

(1.) You might Renew it.

(2.) You *might* Dishonour it!!!

But I will not tell you how to enter either of these Transactions, for I hope you will never do the first, and I am sure you will never do the second.

All that I have told you about the entering of Bills, may be put in the form of a TABLE, which I will now ask you to learn and *write out from memory*.

I will also give you, on the opposite page, Examples of Bills Payable Account and Bills Receivable Account.

(See pages 142 and 143).

Caution. When a Bill is { paid / met / honoured } *you must neither Debit nor Credit the man.*

The only two accounts concerned are B.P. or B.R. and Cash or Bank.

BILLS RECEIVABLE ACCOUNT.

Must be Debited when the Bill comes IN—that is

When { Drawn (by me) and Accepted (by A. B.)

Must be Credited when the Bill goes OUT—that is

1. When { Paid / Retired / Honoured / Met } by the acceptor, and given back to him.
2. When given in exchange for goods.
3. When given in payment of a debt.
4. When discounted.
5. When renewed.
6. When dishonoured.

(NOTE.—Bills Receivable come IN *first* and go OUT *afterwards*.)

BILLS PAYABLE ACCOUNT.

Must be Debited when the Bill comes IN—that is

When it is { Paid / Retired / Honoured / Met } by me on the due date.

Must be Credited when the Bill goes OUT—that is

When it is { Drawn (by A. B.) and Accepted (by me.)

(NOTE.—Bills Payable go OUT *first* and come IN *afterwards*.)

EXAMPLES OF B.R. ACCOUNT AND B.P. ACCOUNT.

Dr. *Bills Receivable.* *Cr.*

DATE.	BILL.	DUE.	£	DATE.	BILL.	HOW DISPOSED OF.	£
1883				1883			
Jan. 1	Rogers	Feb. 4	100	Feb. 4	Rogers (case 1)	Duly paid.	100
„ 2	Starling	March 5	200	„ 6	Norris (case 2)	Paid away.	500
„ 3	Francis	April 6	400	„ 8	Henry (case 3)	Do.	250
„ 4	Green	May 7	150	„ 12	Francis (case 4)	Discounted.	400
„ 5	Henry	June 8	250	Mar. 5	Starling (case 5)	Renewed.	200
„ 8	Norris	Feb. 11	500	April 4	Budden (case 6)	Dishonoured.	300
Feb. 1	Budden	April 4	300				
Mar. 5	Starling	April 8	200				

Dr. *Bills Payable.* *Cr.*

DATE.	BILL.	HOW MET.	£	DATE.	BILL.	WHEN DUE.	£
Feb. 4	Anderson	Duly paid.	100	Jan. 1	Anderson	Feb. 4	100
Mar. 6	Butler	Do.	200	„ 3	Butler	March 6	200
				Mar. 1	Charles	April 4	300

You will now be able to do the following Exercise, remembering that your first care in each case must be to decide whether the Bill in question is a "Bill Payable," or a "Bill Receivable" (page 126).

EXERCISE.

Journalise the following Transactions :—

1. I draw on James Metson & Son.
2. Beamish Bros. draw on me.
3. Metson & Son pay their a/ce due this day.
4. Walford & Co. accept my draft.
5. Accept Church's draft.
6. Jarvis Bros. give me their a/ce.
7. Discount Walford's a/ce for £200, and receive cash £197. (Discount charged £3.)
8. Retire my a/ce to Daulby due this day.
9. Remit (*i.e.* send) to Challis my Pro. Note at 1 month.
10. Poulter & Wells give me their Pro. Note.
11. Give Lupson & Co. Jarvis's a/ce in part payment of my debt to them.
12. Paid my a/ce in favour of Helstone due this day.
13. Poulter & Wells's bill returned dishonoured.
14. Poulter & Wells settle for their dishonoured bill, partly by cash and partly by giving me a new bill.
15. Charge Poulter & Wells with interest (Cr. P. & L.) and sundry expenses (Cr. Cash) on their dishonoured bill.
16. Sold Goods to Lamb, and drew on him at 1 month for the amount.

17. Bought Goods of French, and accepted his draft at 2 months for the amount.

18. Thornhill's a/ce duly honoured.

19. Bank pays my a/ce due this day.

20. Renewed Worman's a/ce.

(The above Exercise may be Journalised either *viva voce*, or on paper thus: *Cash Dr. To Goods Cr.*)

CHEQUES.

When you put money in a Bank, the Bankers will give you a little book of blank cheques. (You know what a cheque is like I daresay. If not, ask some friend to be kind enough to show you one.) When you want to pay money to other people, or to take some out of the Bank for yourself, all you have to do is to write the amount on one of these blank cheques, and sign your name, and your Bankers will then pay the person who "presents" the cheque. Only you must take great care not to ask them to pay more money than you have in the Bank. If you do, they will probably return your cheque to the man who presents it, "*dishonoured*," and the man will either write you a

very disagreeable letter, or pay you a very unpleasant visit!

Cheques are very convenient things. You may even send a cheque away by post to a man living at a great distance from your Bankers, and he will be able to get the money. I will tell you how. You live at Oxford, and send your cheque for £10 to W. Smith who lives at Canterbury,

W. Smith gives it to his Banker at Canterbury.
Smith's Banker sends it to his London Agent.
Smith's Banker's London Agent gives it to your Banker's London Agent.
Your Banker's London Agent sends it to your Banker at Oxford.
Your Banker returns it to you
And "*pays it*," that is he "Credits" his London Agent.
His London Agent "Credits" Smith's Banker's London Agent.
Smith's Banker's Agent "Credits" Smith's Banker.
(Finally) Smith's Banker "Credits" Smith, which means that he puts £10 more on the "Credit" side of Smith's account in the Bank Books, and that is just as good as if he handed him the Cash.

Thus you see it is all done (without the trouble of sending money from place to place) by people trusting one another, and making the proper Dr. or Cr. entries in their books.

But I have said nothing at present about cheques that you receive from other people.

In most Book-keeping Examination Papers, it is taken for granted that as soon as you get other people's cheques you pay them in to your account at your own Bank. And in Real Life it is very important that you should do this, for if you keep the cheque in your possession, it may be stolen, or you may lose it, or the man may die, or become bankrupt, or other things might happen to prevent your getting the money. So we will *assume* that you "pay in" all cheques at once, and then you will only have to remember that **All Transactions relating to cheques should be entered exactly as if they were Cash Transactions, only substituting the word Bank for Cash.**

If, however, a man sends you his cheque, and after you have paid it into your Bank, the Bank should return it to you "unpaid" (*i.e.* dishonoured), you must do as you do with a Dishonoured Bill, viz.:

Debit the Man;—Credit the Bank.

Work out Test Exercises A 2 to P 2 (pages 162 to 175) in Exercise Book No. 3.

You will now have a very good idea of the essential principles of Book-keeping. In some of the complicated systems of accounts you may meet with in life, you may not be able very readily to trace out these principles; but a little patient careful observation, and quiet thought will generally enable you to follow the windings of the most intricate system, and to see how each entry leads up to the final result.

You have found, before this, I am sure, how very necessary it is in Book-keeping to be accurate, and what troublesome results arise from the very smallest error. The same care and patience which have helped you to work out and prove the exercises in this book will help you to keep your *own* accounts and prove *them*, when you are no longer working at a school exercise, but are fulfilling one of the most important duties of a man. To *excel* in Book-keeping all your work should be done

ACCURATELY,

NEATLY,

EXPEDITIOUSLY.

TEST EXERCISES.

(For Answers see page 209.)

NOTE.—Books prepared to work out the following Exercises may be obtained from the author. See notice opposite title page.

	A.	£	s.	d.
Jany. 1	Cash in hand	100	0	0
,, ,,	Goods ,,	200	0	0
	TRANSACTIONS.			
Jany. 3	Sold Goods to R. Allen	50	0	0
,, 7	Bought ,, of F. Andrews	10	0	0
,, 12	Sold ,, for Cash	30	0	0
,, 31	Value of Stock	140	0	0
	B.			
March 1	Cash in hand	50	0	0
,, ,,	Goods ,,	100	0	0
,, ,,	Mr. Barton owes me	7	0	0
	TRANSACTIONS.			
March 2	Sold Goods to J. Brown	40	0	0
,, 5	,, ,, B. Barton	10	0	0
,, 12	J. Brown pays me	25	0	0
,, 13	Bought Goods of G. Brand	30	0	0
,, 20	Sold ,, for Cash	10	0	0
,, 31	Value of Stock	85	0	0
	C.			
May 1	Cash in hand	400	0	0
,, ,,	Goods	0	0	0
,, ,,	L. S. Cooper owed me	10	0	0
,, ,,	I owed C. Carter	70	0	0
	TRANSACTIONS.			
May 1	Bought Goods of C. Carter	200	0	0
,, 7	Sold ,, to L. S. Cooper	10	0	0
,, 8	,, ,, ,, G. Collins	20	0	0
,, 12	Paid C. Carter	140	0	0
,, ,,	L. S. Cooper pays me	15	0	0
,, 30	Paid for Trade Expenses	2	0	0
,, 31	Value of Stock	175	0	0

D.

		£	s.	d.
June 1.	Cash in hand	250	0	0
,, ,,	Goods ,,	300	0	0
,, ,,	Cash in Bank	100	0	0
,, ,,	I owed F. David	50	0	0
June 5.	Bought Goods of F. David	113	0	0
,, 6	Sold ,, to D. Denton	50	0	0
,, 10	,, ,, J. Daw and Son	66	0	0
,, 12	Drew Cash from Bank	40	0	0
,, ,,	Paid F. David	170	0	0
,, 25	,, for Repairs	14	0	0
,, 30	Sold J. Digby Goods	40	0	0
,, ,,	Took Cash for Personal Expenses...	10	0	0
	(Cash *out*:—Capital *in*—see Lesson V.)			
,, 30	Goods in hand	300	0	0

E.

		£	s.	d.
Jan. 1	Cash in hand	50	0	0
,, ,,	Goods ,,	500	0	0
,, ,,	J. Ellis owed me	20	0	0
,, ,,	I owed W. Ellison	17	0	0
,, ,,	,, ,, Edwards Brothers	11	0	0
Jan. 1	Sold Goods to J. Ellis	100	0	0
,, 3	Bought ,, of Edwards Brothers	55	0	0
,, 20	Sold ,, to John Evans	105	0	0
,, 21	Paid Edwards Brothers on account	40	0	0
	("On account" means that it is not all I owe Edwards.)			
Jan. 21	J. Evans pays me	105	0	0
	(In other words, "J. Evans settles his account.")			
Jan. 24	Paid Edwards Brothers	10	0	0
,, ,,	,, for Shop Repairs	7	0	0
,, 31	Personal Expenses (see Lesson V.)	10	0	0
,, ,,	Goods in hand	414	0	0

F.

		£	s.	d.
Sept. 1	Cash in hand	140	0	0
,, ,,	Goods ,,	430	0	0
,, ,,	Cash in Bank	237	12	1
,, ,,	I owe I. Fish	400	0	0
Sept. 5	Paid for Office Coals	4	10	6
,, ,,	Sold Goods to J. Farmer	50	0	0
,, 6	,, ,, ,, J. Fell	41	10	0
,, 8	Bought Goods of G. Fear	60	0	0
,, 12	J. Farmer pays me	50	0	0
,, 20	Settle G. Fear's account. (This means of course "Pay G. Fear" what I owe him).			
,, 21	Paid J. Fish	100	0	0
,, ,,	,, for Wages	10	10	0
,, ,,	,, ,, Travelling Expenses	2	6	8
,, ,,	Private Expenses (see Lesson V).	5	2	3
,, 30	Goods in hand	429	0	0

G.

		£	s.	d.
Aug. 1	Goods in hand	321	1	2
,, ,,	Cash ,, ,,	201	0	0
,, ,,	A. Goodman owes me	50	0	0
Aug. 3	A. Goodman pays me	50	0	0
,, 4	Sold Goods to J. George	4	17	0
,, 5	Bought ,, of G. Gage	52	15	6
,, ,,	Sold ,, to J. Gardener	50	10	6
,, ,,	,, ,, for Cash	41	11	0
,, 12	Bought Goods for Cash	100	0	0
,, ,,	Paid G. Gage	52	15	6
,, ,,	Received of J. Gardener	40	10	6
,, 22	J. George pays me	4	10	0
,, 31	Trade Expenses	7	0	0
,, ,,	Private ,,	6	0	0
,, ,,	Goods in hand	405	18	2

H.

(See pages 85 and 86.)

		£	s.	d.
Dec. 1	Cash in hand	7	8	2
,, ,,	Goods in ,,	194	13	6
,, ,,	I owe Mr. Hardy	12	0	0
,, ,,	Mr. Harris owes me	20	0	0
,, ,,	Houghton and Son owe me	35	0	0
[illegible] 1	Mr. Harris settles his account less 5 % Discount			
,, 3	Sold Goods to W. Heaver	8	8	0
,, 7	Bought ,, of M. Hardy	14	11	2
,, ,,	Paid Mr. Hardy	25	0	0
	Discount received	1	11	2
,, 15	Sold Goods to Howell and Co.	13	0	0
,, 31	,, ,, for Cash	93	12	2
	This is supposed to be the sum total of Monthly Cash Sales.			
,, ,,	Trade Expenses	2	0	0
,, ,,	Personal ,,	5	0	0
,, ,,	Value of Stock	124	1	6

I.

Oct. 1	Cash in hand	1000	0	0
,, ,,	Goods ,,	100	0	0
Oct. 1	Bought Goods of A. Isaac	500	0	0
,, ,,	Paid into Bank	500	0	0
,, 2	Sold Goods to B. Inch	109	15	6
,, 10	,, ,, C. Ingham	89	16	7
,, ,,	,, ,, D. Ingrey	50	0	0
,, 12	Paid for Wages	15	0	0
,, ,,	,, Gas	6	0	0
,, ,,	Drew for Personal Expenses	30	0	0
,, 14	Sold Goods to D. Ingrey	48	17	5
,, ,,	Drew from Bank	150	0	0
,, 20	Settle Isaac's account less 5 % Discount (see page 86).			
,, 25	Sold Goods to E. Iliff	40	10	0
,, 31	Value of Stock	361	0	6

J.

Note.—In this exercise there are three Cash Accounts (see Rule VIII).

			£	s.	d.
Nov. 1	Cash in hand		84	2	2
,, ,,	Value of Stock	Tea	300	0	0
		Coffee	54	0	0
		Sugar	148	0	0
,, ,,	Mr. Jeffery owes me		489	0	0
,, ,,	I owe James Jolley		58	15	7
,, ,,	W. Johnson owes me		104	0	0
,, 2	Sold Tea to J. Jones		87	0	0
,, 3	,, Coffee to W. Jackson		50	0	0
,, 4	J. Jones settles his account less 5 % discount (see page 86).				
,, 14	I pay James Jolley what I owe him.				
,, ,,	Paid for Wages		15	1	2
,, 16	,, ,, Rent		10	0	0
,, 17	,, ,, Postage Stamps		1	0	0
,, 22	,, ,, Shop Repairs		11	7	0
,, 23	,, ,, Office Coals		3	3	0
,, ,,	,, ,, Parcel		0	1	9
,, ,,	Sold W. Johnson Sugar		90	0	0
,, 30	Personal Expenses		12	0	0
,, ,,	Value of Stock—Tea £250.				
	Coffee £ 10.				
	Sugar £ 60.				

K.

			£	s.	d.
Dec. 1	Cash in hand		29	4	5
,, ,,	,, ,, Bank		102	3	2
,, ,,	Goods in hand		505	18	9
,, ,,	I owe R. Kemp		700	0	0
,, ,,	Jabez Kettle owes me		63	0	0

TEST EXERCISE K. *(continued).*

		£	s.	d.
Dec. 2	Sold Goods to S. King	60	0	0
,, 7	J. Kettle settles his account less 5 %.			
,, 8	Sold Goods to W. Kentish	75	0	0
,, ,,	Bought ,, of Knapman and Co. ...	25	0	0
,, 10	S. King settles less 5 % Discount.			
,, 12	Sold Goods to W. Kentish	150	0	0
,, 20	,, ,, Knapman and Co. .	38	3	5
,, 21	,, ,, S. King	2	2	0
,, 31	Trade Expenses	32	8	8
,, ,,	Private do.	25	0	0
,, 31	Value of Goods on hand	316	14	5

L.

(Make separate accounts for "Books" and "Stationery").

Jan. 1	Assets none.			
	Liabilities none.			
,, ,,	Bought Stationery of Lewes and Co.	200	0	0
,, ,,	,, Books of Longman and Co.	184	2	3
,, ,,	Sold ,, to A. Lincoln	50	0	0
,, 3	,, ,, J. P. Lawrence ...	50	0	0
,, 5	,, Stationery do.	24	4	4
,, 10	Bought do. of Lewes and Co.	50	0	0
,, ,,	Sold do. to T. Lamb	5	5	0
,, ,,	,, do. to A. Lincoln	17	17	7
,, 31	,, do. for Cash during the month	98	15	6
,, ,,	,, Books do. ,, ,, ,,	109	12	6
,, ,,	Paid Longman, on account.....	100	0	0
,, ,,	Trade Exps. £18. Private Exps. .	10	0	0
,, ,,	Books in hand, value	0	0	0
,, ,,	Stationery do.	154	4	1

M.

NOTE.—See Bad Debts (page 87) before doing this Exercise.

April 1 Cash £20. Bank £85. Goods £788

,, ,, Manning and Co. owe me... 33

TEST EXERCISE M. *(continued)*

		£	s.	d.
April 1	I owe Morris and Son.....	125	0	0
,, ,,	Mather and Co. owe me.....	70	0	0
,, ,,	W. R. Mountain owes me	3	3	0
April 5	Write off Mountain's acct. as a bad debt. (page 85).			
,, 7	Mather and Co. pay me.....	50	0	0
,, 8	,, ,, buy Goods of me...	11	0	0
,, 12	,, ,, settle, less 5 %.			
,, 15	Sold Goods for Cash	150	0	0
,, ,,	Settle with Morris and Son, they allowing me 5 % Discount.			
,, 20	Accept Comp. of 17/6 in the £ from Manning and Co. (see page 85).			
,, 30	Trade Expenses	13	4	6
,, ,,	Private do.	20	0	0
,, 30	Value of Stock.....	659	0	0

N.

			£	£	£
Nov. 1	Assets	Glass & China	315.	Grocery 471.	Drapery 786
		Nowell and Co.....			24
		Horace Neale.....			42
	Liabilities	Nash and Son.....			80
		W. G. & J. Naylor.....			19

Nov. 1	Bought Grocery of Nash and Son...	64	2	2
,, ,,	,, China for Cash	7	0	0
,, 6	Sold Grocery to Horace Neale.....	18	0	0
,, 10	Nowell and Co. pay me Comp. 10/- in the £.			
,, 16	H. Neale settles less 5 % Discount.			
,, 30	Grocery..... Cash Sales...	81	8	11
,, ,,	Drapery..... during the ...	116	10	5
,, ,,	China and Glass ... month.....	13	2	8
,, ,,	Trade Expenses	10	0	0
,, ,,	Private Expenses.....	10	0	0

TEST EXERCISE N. *(continued).*

			£	s.	d.
Nov. 30	Value of Stock	Grocery.....	460	13	3
		Drapery	686	0	0
		China and Class.	308	6	10

O.

Oct. 1	Assets.....	Cash £5. Goods £38.				
		Oliver Brothers	1	1	0	
		E. Oates	3	5	0	
,, ,,	Liabilities	Owen £ 2 10 0 Onley	12	2	6	
		Osborne 17 4 2 Odell	21	19	11	
,, 5	Oliver Brothers settle.					
,, 10	E. Oates settles.					
,, 15	Sold Goods to E. Oates for Cash		12	0	0	
,, 18	Bought ,, of J. Osborne.....		13	0	0	
,, 21	Sold ,, for Cash		15	0	0	
,, 26	Bought ,, of W. Owen		8	0	0	
,, 27	Sold ,, for Cash		10	10	0	
,, ,,	Settled Owen's account less 5 %.					
,, 31	Trade Expenses		5	1	5	
,, ,,	Private Expenses		6	12	4	
,, ,,	Goods in hand.....		36	10	0	

P.

NOTE.—Patmore's a/ct will require double the usual space.

Jan. 1	Cash £8 5*s*. Bank £55. Goods	1,129	1	11	
	Debts Payable	Porter and Sons ...	202	0	0
		W. S. Prentice ...	100	0	0
	,, Receivable—Patmore and Co.	50	0	0	
Jan. 2	Patmore and Co. settles less 5 %.				
,, 3	Patmore and Co. buy Goods worth	220	0	0	
	(paying Cash for *half* of them.)				
,, 5	Sold Goods to D. Pelham.....	20	0	0	
,, ,,	,, ,, Patmore and Co.....	40	0	0	

TEST EXERCISE P. *(continued).*

		£	s.	d.
Jan. 8	Patmore and Co. settle less 5 %.			
,, 12	Paid into Bank	100	0	0
,, 15	Sold Patmore Goods	10	6	6
,, 18	,, ,, ,, ...	26	6	9
,, ,,	Patmore paid	26	13	3
,, 30	Accept Composition of 7/6 in £ for remainder of Patmore's debt.			
,, 31	Trade Exps, £4. Private Exps....	6	0	0
,, ,,	Value of Stock.....	891	7	7

Q.

Aug. 1.	Cash £55.. Bank £100. Goods	990	0	0
	Quick and Co. owe me	308	0	10
	I owe James Quimper	65	7	6
	Quarles and Son owe me	8	2	0
Aug. 7	Quarles and Son pay me	8	0	0
	Discount.....	0	2	0
,, 10	Quick and Son pay me	300	0	0
	Discount	8	0	10
,, 18	Sold Goods to Quick and Co. for Cash	75	12	11
,, 25	Bought ,, of James Quimper ...	100	0	0
,, 31	Trade Expenses	3	4	6
,, ,,	Private ,, ...	5	0	0
,, ,,	Value of Stock	1,025	0	0

R.

NOTE.—Before doing this Exercise consult page 89.

May 1	Cash	5	0	0
	In hand 100 doz. Port, at 40/- per doz.			
	Richards and Son owe me.....	172	0	0
	I owe Rowland and Co.	224	0	0
	James Robinson owes me	130	0	0
May 12	Sold for Cash 20 doz. Port at 45/-.			
,, 16	,, Mr. Rutter 10 ,, ,, 50/-.			
,, ,,	Bought of Rowland and Co. 50 doz. Sherry at 42/-.			

TEST EXERCISE R. *(continued).*

		£	s.	d.	
May 22	James Robinson settles less 5 %.				
,, 29	Sold Richards and Son 6 doz. Sherry at 54/-.				
,, 31	Trade Expenses.....	5	5	0	
,, ,,	Private ,, ...	20	0	0	
	Calculate value of Stock at cost price. (see page 89).				

S.

Oct. 1	Cash £75. Bank £185. Goods...	880	1	10	
,, ,,	I owe Mr. J. Sharp.....	77	18	4	
,, ,,	,, Messrs. Scott and Son.....	18	18	6	
,, ,,	Mr. Sewell owes me	30	0	0	
,, 3	Bought Goods of Mr. Sanders	50	0	0	
,, 10	Sold ,, to Mr. Southey	12	12	0	
,, 14	Paid Mr. J. Sharp	75	0	0	}
	Discount	2	18	4	}
,, 20	Sold Goods to Mr. Sewell	10	0	0	
,, 21	Mr. Sewell pays me	20	0	0	
,, 22	Sold Goods to Mr. Southey	32	10	0	
,, ,,	Mr. Sewell pays me	10	0	0	
,, 24	Drew Cash from Bank	50	0	0	
,, ,,	,, ,, for Personal Expenses	10	0	0	
,, ,,	Mr. Sewell pays Comp. 15/- in £.				
,, 31	Trade Expenses	5	17	6	
,, ,,	Goods in hand	885	10	8	

T.

Nov. 1	Cash £17 2*s.* 4d.				
,, ,,	In Stock, 268 cwt. Sugar at.....	2	6	8	*per cwt*
	,, 500 ,, Cheese ,, ...	1	10	0	,,
	I owe Toulmin and Gale	50	0	0	
,, 3	Sold for Cash 100 cwt. Cheese at 33/-.				
,, 4	,, to Mr. R. Thompson, 100 cwt. Cheese at 35/-.				
,, 11	,, E. Tanner, 200 cwt. Sugar at	2	10	0	

TEST EXERCISE T. *(continued)*

		£	s.	d.
Nov. 11	Bought for Cash, 278 lbs. Tea at 3/-			
,, 20	Paid Toulmin and Gale's account less 5 %.			
,, 30	Trade Expenses	4	8	6
,, ,,	Personal Expenses	15	0	0

Calculate value of unsold Stock at cost price.

U.

Dec. 1 Cash £100. Bank £200. Goods £1,000.

Debts Payable :—		Debts Receivable :—	
Underwood	£18	Underhill	£20
Upton and Co.	£80	Urquhart	£40

		£	s.	d.
Dec. 3	All outstanding accounts settled.			
,, 5	Sold Underhill Goods	200	0	0
,, 6	,, Urquhart do.	50	0	0
,, 11	Underhill settles less 5 %.			
,, 12	Urquhart pays me Comp. 18/- in the £.			
,, 16	Paid into Bank	100	0	0
,, 18	Bought Goods of Upton and Co.	20	0	0
,, 29	Settled Upton's account less 5 %.			
,, 31	Trade Expenses	5	0	0
,, ,,	Personal ,,	10	0	0
,, ,,	Value of Stock	820	0	0

V.

		£	s.	d.
Feb. 1	Cash £207 8*s.* 9*d.* Goods	123	0	0
,, ,,	I owe Mr. Vinter	45	0	0
,, ,,	Mr. Vale owes me	67	0	0
,, ,,	Vaughan and Co. owe me	89	0	0
,, 4	Sold Goods for Cash	27	1	5
	Allowed Discount	2	1	5
,, 10	Bought Goods of Mr. Vinter	100	0	0
,, 13	Settle Mr. Vinter's account less 5 %.			

TEST EXERCISE V. *(continued)*

		£	s.	d.
Feb. 14	Sold Goods to Messrs. Vaughan & Co.	12	0	0
,, 17	Do. do.	4	2	3
,, 20	Do. for Cash	18	18	0
	Discount	0	18	0
,, 28	Took Goods out of stock for office use.....	3	0	0
	(Trade Expenses must be debited).			
,, ,,	Paid for Trade Expenses	3	4	1
,, ,,	Drew for Self	5	5	0
,, ,,	Value of Stock.....	179	14	1

W.

			£	s.	d.
July 1	Assets	Wheeler and Wilson ...	12	4	6
		Warner and Russell.....	0	18	4
		Cash £10. Bank £700.			
		Goods	600	0	0
	Liabilities	Warren and Son	20	0	0
		Williams and Angel ...	16	16	0
		Wainwright Brothers ...	1	10	6
July 12	Drew from Bank		50	0	0
,, 21	All outstanding accounts settled.				
Aug. 10	Sold Goods to Warner and Russell		2	5	0
,, 20	,, ,, Wheeler and Wilson		12	0	0
Sept. 15	,, ,, Warner and Russell		80	17	6
,, 18	,, ,, Wingfield and Co.		3	0	0
,, 30	Bought ,, for Cash		120	0	0
,, ,,	Sold ,, ,, ...		433	3	10
,, ,,	Gas acct. for current quarter sent in (Credit the Gas Company).		3	5	6
,, ,,	I owe Landlord 1 qr's. rent ..... (Credit the Landlord).		12	10	0
,, ,,	Trade Expenses		8	15	4
,, ,,	Private ,, ...		10	0	0
,, ,,	Value of Stock.....		213	4	6

V.

		£	s.	d.
Dec. 1	Cash £30. Bank £1,000. Goods...	900	0	0
,, ,,	I owe Yeatman and Co.....	250	0	0
,, ,,	Mr. Youngman owes me.....	500	0	0
,, ,,	Frederic Young owes me	15	0	0
,, ,,	Drew from Bank.....	800	0	0
,, 3	Youngman settles.			
,, 7	Purchased Business Premises for cash	1,000	0	0
	(Open an acct. "Business Premises.")			
,, 10	Settle Yeatman's account less 5 %.			
,, 12	Sold Goods for Cash.....	1,000	0	0
,, 15	Young pays me Comp. 13/4 in £.			
,, 31	Trade Expns. during the month ...	17	1	3
,, ,,	Private Expns. ,, ,, ...	20	0	0
,, ,,	Value of Stock—*nil*	0	0	0

QUESTIONS TO BE ANSWERED AFTER EACH TEST EXERCISE.

See No. 3 Exercise Book, published by Simpkin, Marshall, and Co.

TEST EXERCISES INVOLVING BILLS.

For Answers see page 209.

ABBREVIATIONS :—(P.C.) Petty Cash.—(a/ct) Account.—(@) at.—(amt.) Amount.—(a/ce) Acceptance.—(ck.) Cheque.—(dis.) Discount.—(disct.) Discounted.—(B.R.) Bills Receivable.—(B.P.) Bills Payable.—(5 %) Five Per Cent.—(bt.) Bought.—(sd.) Sold.—(gds.) Goods.—(mo.) Months.—(comp.) Composition.—(bal.) Balance.—(T.E.) Trade Expenses.—(P.E.) Private Expenses.—(recd.) Received.—(V.S.) Value of Stock.—(D.R.) Debts Receivable.—(D.P.) Debts Payable.

CAUTION :—Notice the difference between D.R. (Debts Receivable) and B.R. (Bills Receivable), and remember that in "opening the books," D.R. must be put in *separate* accounts, an account for each person, as you did in the other Test Exercises; but B.R. must *all* go into "B.R. account," which should be made out like the example on page 143.

The same distinction must be observed between D.P. and B.P.

NOTE.—In the statement of Assets and Liabilities at the beginning of these Exercises, *Bills* are put in brackets with the *due date*, thus: (Darling, Ap. 1.)

A 2.

		£	s.	d.
Jan. 1	Cash	150	0	0
„ „	Goods	1250	0	0
„ „	Arthur and Co. owe me	600	0	0
„ „	I owe Archer	300	0	0
„ „	Bills Payable (Arkwright, due Jan. 4)	100	0	0
„ „	B.R. (Abbott, due Feb. 8)	500	0	0
„ 4	Pay my a/ce to Arkwright.			
„ 10	Bot. Gds. of W. Adams, and gave him bill for that amount at 2 months	1000	0	0
„ 20	Sd. Gds. for Cash	2000	0	0
„ 31	T.E.	25	0	0
„ „	P.E.	50	0	0
„ „	Value of Stock	500	0	0

(NOTE.—Carry the Balance of B.R. and B.P. accounts into the Final Balance Sheet.)

B 2.

			£	s.	d.
Feb. 1	Assets	Bank	700	0	0
		Goods	3000	0	0
		Batchelor	1000	0	0
		Barlow	100	0	0
		Bates	500	0	0
,, ,,	Liabilities	I owe Beamish	2000	0	0
		I owe Baird	200	0	0
,, ,,	Bt. Gds. of Batty, and gave him my a/ce for that amt. @ 2 mo.		1400	0	0
,, 10	Sd. Gds. to Bates		1000	0	0
,, 12	Bates gives me his ck. to settle.				
,, 14	Gave Beamish my a/ce @ 3 mo. for £1000, and ck. for the balance due.				
,, 28	T.E.		50	0	0
,, ,,	P.E.		50	0	0
,, ,,	V.S.		3600	0	0

C 2.

			£	s.	d.
Jan. 1	Assets	Cash	500	0	0
		Goods	1000	0	0
		B.R. (Cartwright, due Jan. 12)	200	0	0
		,, (Collins, due Jan. 20)	300	0	0
		,, (Crouch, due Feb. 5)	500	0	0
,, ,,	Liabilities	B.P. (Crickmore, due Jan. 4)	150	0	0
		,, (Crow, due Jan. 20)	250	0	0
,, 4	Pay my a/ce to Crickmore.				
,, 12	Cartwright's a/ce paid.				
,, 20	Collins's a/ce paid.				
,, ,,	Pay my a/ce to Crow.				
,, 21	Sd. Gds. to Clear & Co., £800, and drew on them at 3 mo.				
,, 31	P.E.		25	0	0
,, ,,	T.E.		20	0	0
,, ,,	V.S.		300	0	0

D 2.

			£	s.	d.
Feb.	1	Cash	28	0	0
„	„	Bank	111	0	0
„	„	Goods	2141	0	0
„	„	D.R. (Daulby)	88	0	0
„	„	„ (Duncan)	256	0	0
„	„	B.R. (Darby, Feb. 15)	500	0	0
„	„	„ (Darling, April 1)	250	0	0
„	„	D.P. (Dawson)	73	0	0
„	„	„ (Dowsett)	100	0	0
„	„	„ (Davis)	19	0	0
„	„	B.P. (Dowell, May 7)	1000	0	0
„	2	Bt. Gds. of Davey, £94, and gave him my ck. for £90 in settlement.			
„	10	Duncan gives me his ck. for £250 to settle.			
„	12	Sd. Gds. to Duval, £953, for which he gave me his a/ce at 2 mo. for £500, ditto @ 4 mo. £300, his ck. £100, Cash £50, Dis. £3.			
„	15	Darby's a/ce paid into Bank.			
„	25	Drew ck. for Wages	20	0	0
„	„	For T.E.	17	0	0
„	„	For Self	25	0	0
„	29	V.S.	1505	0	0

E 2.

Oct.	1	Goods	900	0	0
„	„	Bank	88	0	0
„	„	B.R. (Escott, Oct. 20)	1000	0	0
„	„	„ (Everett, Jan. 12)	1200	0	0
„	„	Ellrington owes me	58	0	0
„	„	Eyre „ „	110	0	0
„	„	B.P. (Elsey, Oct. 4)	150	0	0

TEST EXERCISE E 2. (*continued*).

		£	s.	d.
Oct. 1	B.P. (Eagle, Oct. 15)	300	0	0
„ „	I owe Edwards	99	0	0
„ 4	Elsey's draft renewed for 1 mo.			
„ 5	Bt. Gds. of Edwards, £2000, and gave him my a/ce at 2 mo. for	2099	0	0
„ 10	Sd. Gds. to Ellrington, £1500, and drew on him @ 2 mo. for £1550 to settle.			
„ 12	Disct. Everett's bill (disct. charged)	15	0	0
„ 15	Drew ck. to pay my a/ce to Eagle.			
„ 20	Escott's a/ce pd. into Bank.			
„ 31	T.E.	50	0	0
„ „	P.E.	50	0	0
„ „	V.S.	2000	0	0

F 2.

Nov. 1	Goods	1000	0	0
„ „	Bank	500	0	0
„ „	Cash	50	0	0
„ „	B.R. (Franklin, Nov. 4)	100	0	0
„ „	„ (Faber, Jan. 12)	400	0	0
„ „	D.R. Founds	60	0	0
„ „	„ Fordham	90	0	0
„ „	B.P. (Fitch, Nov. 15)	200	0	0
„ „	„ (Fuller, Nov. 16)	300	0	0
„ „	D.P. Fenton	70	0	0
„ „	„ Farrar	80	0	0
„ 4	Rec. Cash for Franklin's a/ce due this day.			
„ 10	Founds settles less 5 % by ck.			
„ 11	Sd. Gds. to Fordham	100	0	0
„ 12	Paid Farrar	40	0	0
„ „	Disct. Faber's a/ce at Bank (Dis. £8).			

TEST EXERCISE F 2. (*continued*).

		£	s.	d.
Nov 15	Renewed my a/ce to Fitch for 2 mo.			
„ 16	Gave ck. to meet my a/ce to Fuller due this day.			
„ 20	Sd. Gds. to Fordham	50	0	0
„ 21	Bt. Gds. of Farrar	100	0	0
„ 22	Recd. of Fordham	200	0	0
„ 23	Settle Farrar by ck. less 5%.			
„ 30	T.E.....	12	0	0
„ „	P.E.....	25	0	0
„ „	V.S.....	1000	0	0

G 2.

			£	s.	d.
Sept. 1	Assets	Cash	236	0	0
		Goods	850	0	0
		Bank	550	0	0
		Graham	100	0	0
		George	156	0	0
		B.R. (Gregory, Sept. 12)...	200	0	0
		„ (Gill, Sept. 20)	500	0	0
„ „	Liabilities	Gregory.....	70	0	0
		Gilson	180	0	0
		B.P. (Grundy, Sept. 4)	60	0	0
		„ (Gould, Sept. 25)	120	0	0
„ 4	Pd. Grundy's bill due this date.				
„ 6	Drew on Graham for amt. due to me by him.				
„ 12	Recd. Cash for Gregory's a/ce due this day.				
„ 14	Bt. Gds. of Gilson, £200, gave him ck. for £100, and bill at 2 mo. to settle.				
„ 20	Cash for Gill's a/ce received at Bank.				
„ 21	Sd. Gds. for Cash	200	0	0	
„ 25	Gave Gould ck. to meet my a/ce due this day.				

TEST EXERCISE G 2. (*continued*).

		£	s.	d.
Sept. 26	Sd. Gds. to George	178	0	0
,, 30	T.E.	15	0	0
,, ,,	P.E.	30	0	0
,, ,,	V.S.	605	0	0

H 2.

Oct. 1	Assets	Cash	50	0	0
		Bank	750	0	0
		Goods	3845	0	0
		Hathaway	226	0	0
		Henderson	60	0	0
		Hitching	89	0	0
		B.R. (Hall, Oct. 4)	75	0	0
		,, (Hind, Oct. 17)	57	0	0
,, ,,	Liabilities	Harper	600	0	0
		Hasler	1000	0	0
		B.P. (Hills, Oct. 12)	1000	0	0

,, 4 Hall's a/cc paid.

,, 6 Sd. Gds. to Hitching 78 0 0

,, 12 Pay my a/cc to Hills due this day by ck.

,, 14 Sd. Gds. to Hathaway..... 900 0 0

,, 15 Hathaway gives me his ck. for £500, and his a/cc for 2 mo. for Bal.

,, 17 Hind's Bill retired.

,, 20 Sd. Gds. to Hasler, £800, and gave him my a/cc for the Bal. due to him.

,, 21 Henderson pays me a comp. of 15*s.* in the £.

,, 25 Bt. Gds. of Harper, £1200, and gave him my a/cc @ 2 mo. for amt. due to him.

,, 31	T.E.	35	0	0
,, ,,	P.E.	50	0	0
,, ,,	V.S.	3500	0	0

I 2.

			£	s.	d.
		Cash	20	0	0
		Bank	1000	0	0
		Goods	5000	0	0
Nov. 1	Assets	Irving	133	0	0
		B.R. (Inwood, Nov. 7)	300	0	0
		,, (Ingram, Nov. 21)	286	0	0
		,, (Ince, Dec. 20)	500	0	0
		Ishmael	450	0	0
,,	Liabilities	Illingworth	88	0	0
		B.P. (Inglis, Nov. 10)	1000	0	0

,, 1 Sd. Gds. to Inwood, £1200, and drew on him @ 2 mo. for amt.

,, 4 Bt. Gds. of Ishmael 550 0 0

,, 5 Sd. Gds. to Ishmael, £250, I gave Ishmael ck. for £250, and my a/ce @ 2 mo. for Bal.

,, 7 Inwood's a/ce due this day paid into Bank.

,, 10 Gave Inglis ck. for my a/ce due to him.

,, ,, Disct. Inwood's a/ce @ Bank, Dis. £10.

,, 20 Disct. Ince's a/ce due Dec. 20, Dis. £2.

,, 21 Ingram's a/ce (due this day) paid.

,, ,, Bt. Gds. of Illingworth, £73.

,, 30 T.E. 15 0 0

,, ,, P.E. (cheque) 35 0 0

,, ,, V.S. 4500 0 0

J 2.

			£	s.	d.
		Bank	1000	0	0
		Goods	5000	0	0
		Jarvis	750	0	0
Dec. 1	Assets	Jessopp	88	0	0
		B.R. (Joscelyne, Dec. 5)	2000	0	0
		,, (Johnstone, Jan. 4)	1000	0	0
		B.P. (Jameson, Dec. 10)	5000	0	0
,, ,,	Liabilities	,, (Joyce, Dec. 20)	40	0	0

TEST EXERCISE J 2. (*continued*).

		£	s.	d.
Dec. 1	Bt. Gds. of Joyce	660	0	0
,, 4	Disct. Johnstone's a/ce due Jan. 4, dis. £5.			
,, 10	Sd. Jameson Gds., £1350, and drew on him @ 3 mo. for that amt.			
,, ,,	Gave Jameson my ck. for a/ce due this day.			
,, 15	Joscelyne's a/ce (due this day) paid.			
,, 16	Bt. Gds. of Joyce	1000	0	0
,, 18	Gave Joyce my a/ce @ 3 mo. for £1500, and ck. for Balance.			
,, 20	Paid my a/ce due this day.			
,, 21	Sd. Goods to Jessopp, £65, and drew on him @ 3 mo. for Balance due to me.			
,, 22	Jarvis settles (less 5% dis.).			
,, 31	T.E	20	0	0
,, ,,	P.E	40	0	0
,, ,,	V.S	5250	0	0

K 2.

Jan. 1	Assets	Cash (= Bank)	1200	0	0
		Goods	3500	0	0
		Knight	800	0	0
		Keats	125	0	0
		B.R. (Kingsley, Jan. 4)	500	0	0
		,, (Kingston, Mar. 10)	900	0	0
		,, (Kirby, Ap. 7)	50	0	0
,, ,,	Liabilities	Keble	1200	0	0
		Kershaw	120	0	0
		B.P. (Knowles, Jan. 19)	1190	0	0
,, ,,	Bt. Gds. of Knox & Co., £2500, and gave them my a/ce @ 3 mo. for that amt.				

TEST EXERCISE K 2. (*continued*).

		£	s.	d.
Jan. 4	Sd. Gds. to Knight & Co., £1700, and drew on them @ 2 mo. for the whole amt. now due by them to me.			
,, ,,	Kingsley's a/ce paid.			
,, ,,	Disct. Knight's a/ce (due Mar. 7), dis. £24.			
,, 7	Disct. Kirby's a/ce (due Ap. 7), dis. £1.			
,, 10	Disct. Kingston's a/ce (due Mar. 10), dis. £7.			
,, 31	T.E.....	35	0	0
,, ,,	P.E.....	50	0	0
,, ,,	V.S.....	4500	0	0

L 2.

Enter all Bank Transactions in Cash.

July 1	Assets	Cash	1560	0	0
		Petty Cash.....	27	0	0
		Goods.....	7000	0	0
		Livermore	200	0	0
		B.R. (Lass, Aug. 2).....	150	0	0
		,, (Lupkin, Aug. 12) ...	600	0	0
,, ,,	Liabilities	Letch.....	300	0	0
		B.P. (Longfellow, July 6)	500	0	0
		,, (Lancashire, July 28)	240	0	0
		,, (Lacey, Sept. 4) ...	400	0	0
,, ,,	Sd. Gds. to Livermore.....	2000	0	0	
,, 2	Disct. Lass's a/ce, dis. charged £1.				
,, 4	Sd. Gds. to Livermore.....	900	0	0	
,, 6	Bt. Gds. of Letch.....	1200	0	0	
,, 8	Paid my a/ce to Longfellow due this day.				
,, 9	Livermore returns me Gds. not according to order.....	25	0	0	

TEST EXERCISE L 2. (*continued*).

		£	s.	d
July 10	Drew on Livermore @ 2 mo. for amt. due by him to me.			
,, 12	Disct. Lupkin's a/ce, dis. £3.			
,, ,,	Disct. Livermore's a/ce, dis. £20.			
,, 15	Gave Letch my a/ce @ 1 mo. for £1000, and ck. to Bal.			
,, 28	Drew ck. to meet my a/ce to Lancashire due this day.			
,, 31	T.E. paid out of Petty Cash	20	0	0
,, ,,	P.E.....	45	0	0
,, ,,	V.S.....	5800	0	0

M 2.

May 1	Assets	Cash	245	0	0
		P.C.	31	0	0
		Goods, 132 Bales @ £5.			
		McLachlan	60	0	0
		Murby	300	0	0
		B.R. (Mantell, May 4) ...	800	0	0
		,, (Melbourne, June 7).	700	0	0
		,, (Morley, July 20) ...	500	0	0
,, ,,	Liabilities	Maclear.....	600	0	0
		B.P. (Mitchell, May 15)	350	0	0
		,, (Marshall, May 25)	400	0	0
,, ,,	Sd. for Cash 12 Bales @ £5 10.				
,, 2	Sd. to Murby 20 Bales @ £5 15.				
,, 4	Mantell's a/ce pd.				
,, 5	Bt. of Maclear 100 Bales at £5.				
,, 7	Disct. Melbourne's a/ce (dis. £3).				
,, 12	Sd. McLachlan 50 Bales @ £5 10.				
,, 15	Drew ck. to meet my a/ce to Mitchell due this day.				
,, 16	Drew on Murby @ 3 mo. for amt. of his a/ce.				
,, 17	Sd. McLachlan 60 Bales @ £5 8*s.*				
,, 20	Disct. Morley's a/ce (dis. £5).				

TEST EXERCISE M 2. (*continued*).

		£	s.	d.
May 25	Sd. Marshall 20 Bales @ £5 17*s.*, and gave him my ck. for bal. of a/ce in his favour due this day.			
,, 26	McLachlan settles.			
,, 31	T.E. (out of Petty Cash).....	16	0	0
,, ,,	P.E.....	50	0	0

Calculate Value of Stock (page 89).

In doing the next two exercises, Balance and Prove January before beginning February.

N 2.

Jan. 1	Cash	50	0	0
,, ,,	Bank	100	0	0
,, ,,	Goods.....	4000	0	0
,, ,,	I owed Barker	300	0	0
,, ,,	I owed Baines	250	0	0
,, ,,	Grant owed me	700	0	0
,, ,,	Gall owed me	100	0	0
,, ,,	Guest owed me	50	0	0
,, 4	Sd. Gds. to Grant	300	0	0
,, 8	Grant paid me £500 on a/ct, which I immediately paid into Bank.			
,, 10	Bt. Gds. of Barker	600	0	0
,, 11	Gave Barker my ck.....	800	0	0
,, 15	Grant settles (less 5% dis.).			
,, 20	Sd. Gds. to Gall	800	0	0
,, 25	Gall paid into Bank	500	0	0
,, 31	P.E.....	20	0	0
,, ,,	T.E.....	30	0	0
,, ,,	V.S.....	3800	0	0
Feb. 5	Sd. Gds. to Grant 1000		0	0
,, 6	Drew on Grant @ 3 mo.....1000		0	0
,, 8	Bt. Gds. of Barker, £200, and gave him my a/ce for £300.			

TEST EXERCISE N 2. (*continued*).

		£	s.	d.
Feb. 12	Dis:ct. Grant's a/ce due May 9, discharged £15.			
,, 14	Gall gave me his a/ce at 10 days to settle his a/ct.			
,, 18	Sd. Gds. to Grant	400		
,, 19	Guest paid me Comp. of 4/- in the £. (Write off balance of his a/ct as a bad debt.)			
,, 20	Sd. Gds. for Cash	200	0	0
,, 23	Received Grant's ck	300	0	0
,, 27	Gall's a/ce due this day paid to Bank.			
,, 28	T.E	30	0	0
,, ,,	P.E	20	0	0
,, ,,	V.S	2800	0	0

O 2.

Jan. 1	Cash	130	0	0
,, ,,	Goods	2500	0	0
,, ,,	Church owed me	25	0	0
,, ,,	Davey owed me	195	0	0
,, ,,	D.P. (Ellerton)	60	0	0
,, ,,	,, (Parnell)	15	0	0
,, 4	Sd. Gds. to Davey	295	0	0
,, 10	Paid Ellerton, £58, and he allowed me dis., £2.			
,, 15	Sd. Church Gds.	74	0	0
,, 16	Church paid on a/ct	50	0	0
,, 20	Sd. Gds. for Cash	400	0	0
,, 25	Opened ac/t at London and County Bank, and paid in the sum of	500	0	0
,, 31	T.E	10	0	0
,, ,,	P.E	12	0	0
,, ,,	Value of Goods on hand	1832	0	0

TEST EXERCISE O 2. (*continued*).

			£	s.	d.
Feb.	2	Drew from Bank	20	0	0
,,	5	Davey gave me his a/ce at 3 mo. for £490.			
,,	6	Bt. Gds. of Taper	1200	0	0
,,	7	Taper drew on me at 1 mo. for £1000, and I gave him my ck. to bal.			
,,	15	Disct. Davey's a/ce at Bank and recd. for same £485. The Bank charging me dis. £5.			
,,	20	Church paid me in settlement £30. [illegible] off bal. as bad debt.			
,,	23	Sd. Gds. to Parnell. £100. He settles [illegible]			
,,	28	T.E.	15	0	0
,,	,,	[illegible]	12	0	0
,,	,,	V.S.	2952	0	0

I 2.

		Goods	4000	0	0
		Cash	100	0	0
		Bank	1200	0	0
Jan.	1	Assets { Jessopp	300	0	0
		[illegible]	450	0	0
		B.R. (Newman, Dec. 4)	800	0	0
		,, (Porcheron, Jan. 20)	1450	0	0
		,, (Crickmore, Feb. 10)	750	0	0
		Yell	500	0	0
		Daulby	40	0	0
,,	,,	Liabilities { B.P. (Denton, Dec. 8)	650	0	0
		,, (Downing, Dec. 15)	250	0	0
		,, (Mabbs, Jan. 4)	700	0	0

TRANSACTIONS.

		£	s.	d.
Dec. 4	Newman pays me his ck. to meet his a/ce due this day.			
,, 5	Sd. Gds. to Taylor	900	0	0
,, 8	Drew ck. to meet my a/ce to Denton, due this day.			
,, 10	Sd. Gds. to Crickmore	350	0	0
,, 15	Renewed my a/ce with Downing, due this day, for 1 mo.			
,, 20	Disct. Porcheron's a/ce, due Jan. 20, at Bank. Dis. charged by the Bank	10	0	0
,, 21	Drew on Jessopp at 2 mo.	300	0	0
,, 22	Bt. Gds. of Yell	1050	0	0
,, ,,	Accepted Yell's draft for	1550	0	0
,, 23	Paid Daulby by cheque	40	0	0
,, ,,	Recd. from Crickmore his a/ce for	300	0	0
,, ,,	and his ck. for	50	0	0
,, 31	P.E	25	0	0
,, ,,	T.E	45	0	0
,, ,,	V.S	4050	0	0

For Answers to Test Exercises see page 209.

ADDITIONAL EXERCISES ON LESSON III.

(10) Make out and balance Apples Account from the following statement.

		£	s.	d.
Jan. 1	Stock in Hand	100	0	0
,, 3	Sd. Apples to Mr. Smith	22	0	0
,, 10	Bt. Apples of Jones	35	0	0
,, 12	Sd. Apples for Cash	60	0	0
,, 15	Bt. Apples of Mr. Fox	91	0	0
,, 20	Bt. Apples for Cash	20	0	0
,, 25	Sd. Apples to J. Mason	48	0	0
,, 31	Profit (enter on Dr. side)	20	0	0

		£	s.	d.
(11) Make out and balance Butter Account.				
April 1	Stock	20	0	0
,, 6	Sd. Butter for Cash	11	0	0
,, 10	Bt. Butter of Mr. Jones	65	0	0
,, 12	Bt. Butter of Mr. Davis	30	0	0
,, 15	Bt. Butter for Cash	110	0	0
,, 20	Sd. Butter to Mr. Ross	88	0	0
,, 21	Sd. Butter to Mr. Davenport	40	0	0
,, 22	Mr. Andrews sd. me Butter	12	0	0
,, 25	Mr. Byford sd. me Butter	17	0	0
,, 30	Profit (enter on Dr. side)	25	0	0
(12) Make out and balance Cheese Account.				
Feb. 1	Stock	500	0	0
,, 2	Sd. Cheese to Mr. How	35	0	0
,, 4	Mr. Wells sd. me Cheese	100	0	0
,, 5	Sd. Cheese to Mr. Dove	86	0	0
,, 7	Mr. Joy buys Cheese of me	75	0	0
,, 10	Mr. How buys Cheese of me	41	0	0
,, 11	Sd. Cheese for Cash	10	0	0
,, 13	Sd. Cheese to Mr. Dove	25	0	0
,, 19	Bt. Cheese for Cash	200	0	0
,, 25	Cash Sales	65	0	0
,, 28	Profit (enter on Dr. side)	49	0	0
(13) Make out and balance Damsons Account.				
Mar. 1	Stock	130	0	0
,, 3	Bt. Damsons of Mr. King	88	0	0
,, 4	Sd. Damsons to Mr. White	70	0	0
,, 5	Sd. Damsons for Cash	20	0	0
,, 10	Mr. Mills sd. me Damsons	250	0	0
,, 12	Mr. Robb sells me Damsons	92	0	0
,, 15	Mr. Kelly bt. Damsons	35	0	0
,, 20	Sd. Mr. Ward Damsons	100	0	0

		£	s.	d.
Mar. 22	Sd. Mr. Marcus Damsons	50	0	0
,, 25	Cash sales	162	0	0
,, 31	Profit (Dr. side)	80	0	0

(14) Make out and balance Eggs Account.

April 1	Stock	82	0	0
,, 5	Bt. Eggs of W. Rist	34	0	0
,, 7	Sd. Eggs for Cash	66	0	0
,, 10	Bt. Eggs of C. Legerton	18	0	0
,, 12	Sd. Eggs to S. Hockley	58	0	0
,, 15	Sd. Eggs to H. Chater	5	0	0
,, 20	Sd. Eggs to J. Leonard	11	0	0
,, 21	Sd. Eggs for Cash	10	0	0
,, 26	J. Young buys Eggs of me	2	0	0
,, 30	Profit (Dr. side)	28	0	0

(15) Make out and balance Fish Account.

May 1	Stock	89	0	0
,, 3	Bt. Fish for Cash	123	0	0
,, 5	Sd. Fish to Mr. Shield	47	0	0
,, 6	Sd. Fish for Cash	74	0	0
,, 7	Mr. Day bt. Fish of me	33	0	0
,, 8	Sd. Fish to Mr. Wells	59	0	0
,, 10	Mr. Richards sd. me Fish	71	0	0
,, 12	Mr. Hardy sd. me Fish	18	0	0
,, 21	Sd. Fish for Cash	45	0	0
,, 22	Bt. Fish for Cash	88	0	0
,, 31	Profit (Dr. side)	66	0	0

(16) Make out and balance Grocery Account.

June 1	Grocery in hand	258	0	0
,, 3	Bt. Grocery of W. Spratt	22	0	0
,, 5	Bt. Grocery for Cash	9	0	0
,, 7	Bt. Grocery of J. Knibb	48	0	0
,, 8	Sd. Grocery to R. Stewart	13	0	0

		£	s.	d.
June 10	Bt. Grocery of F. Gill	31	0	0
,, 15	Bt. Grocery for Cash	7	0	0
,, 16	Sd. Grocery to B. Collins	11	0	0
,, 30	Cash sales for the month	124	0	0
,, ,,	Profit (Dr. side)	46	0	0

(17) Make out and balance Hops Account.

July 1	Stock in hand	923	0	0
,, 7	Sd. Hops to Douglas	182	0	0
,, 10	Bt. Hops of Spencer	630	0	0
,, 11	Montrose sells me Hops	81	0	0
,, 12	Ellis buys Hops of me	720	0	0
,, 23	Emerson buys Hops of me	35	0	0
,, 26	Sd. Hops to Slade	510	0	0
,, 28	Bt. Hops of Slade	299	0	0
,, 30	Bt. Hops of Leader	101	0	0
,, 31	Profit (Dr. side)	148	0	0

ADDITIONAL EXERCISES ON LESSON IV.

(2) Make out and balance Mr. Bearman's Account.

Feb. 1	I owe Mr. Bearman	20	0	0
,, 3	Mr. Bearman sells me Gds	35	0	0
,, 6	I pay Mr. Bearman	50	0	0
,, 8	I sell Mr. Bearman Cheese	20	0	0
,, 9	Mr. Bearman buys a Horse of me	80	0	0
,, 12	I sell Mr. Bearman Butter	25	0	0
,, 16	Mr. Bearman buys a Cart of me	17	0	0
,, 17	I sell Mr. Bearman Eggs	13	0	0
,, 20	Mr. Bearman pays me	120	0	0
,, 28	Mr. Bearman buys Cheese of me	50	0	0

(3) Make out and balance Mr. Codrington's Account.

Mar. 1	I owe Mr. Codrington	100	0	0
,, 6	Mr. Codrington sells me pigs	30	0	0

		£	s.	d.
Mar. 8	I buy Sheep of Mr. Codrington.....	60	0	0
,, 9	Mr. Codrington sells me Three Waggons	200	0	0
.. 10	I buy Horses of Mr. Codrington ...	180	0	0
,, 13	I pay Mr. Codrington	500	0	0
,, 18	I sell Mr. Codrington Cows	200	0	0
,, 20	Mr. Codrington sells me a Donkey..	30	0	0
,, 31	I buy Dogs of Mr. Codrington.....	50	0	0

(4) Make out and balance Darcy & Co.'s Account.

April 1	D. & Co. owe me.....	10	10	0
,, 3	I buy Port of D. & Co.	12	0	0
,, 4	D. & Co. sell me Sherry	16	10	0
,, 7	I sell D. & Co. Gin	50	5	0
,, 9	D. & Co. buy Brandy of me	42	11	0
,, 12	D. & Co. pay me.....	73	16	0
,, 14	I buy Cognac of D. & Co.....	33	18	0
,, 15	I pay D. & Co.....	30	16	0
,, 19	I sell D. & Co. Champagne	120	0	0
,, 23	He sells me Burgundy	100	0	0

(5) Make out and balance Ellison & Co.'s Account.

May 1	I owe E. & Co.....	200	0	0
,, 3	E. & Co. buy a Watch of me.....	25	0	0
,, 6	I sell E. & Co. some Bracelets	10	0	0
,, 11	E. & Co. buy Rings of me.....	13	0	0
,, 14	I sell E. and Co. Pencil Cases.....	29	0	0
,, 17	E. & Co. buy Diamonds of me.....	120	0	0
,, 21	I buy of E. & Co. Chains	60	0	0
,, 24	E. & Co. sell me Silver Cup	19	0	0
,, 29	E. & Co. buy of me Watches.....	80	0	0
,, 31	I pay E. & Co.....	2	0	0

(6) Make out and balance Mr. Fitzgerald's Account.

		£	s.	d.
June 1	Mr. F. owes me	500	10	6
,, 3	I sell Mr. F. Cigars	55	0	4
,, 4	Mr. F. buys of me Golden Shag	73	5	2
,, 6	I sell him Gds.	394	3	0
,, 9	Mr. F. Pays me	22	19	0
,, 10	I buy Gds. of him	420	0	0
,, 16	Mr. F. sells me Gds	90	0	0
,, 21	Mr. F. pays me	400	0	0
,, 28	I sell him Gds.	77	1	0
,, 30	Mr. F. pays me	67	1	0

(7) Make out and balance Mr. Green's Account.

July 1	Mr. G. owes me	50	0	0
,, 3	I sell Mr. G. Sweets	5	0	0
,, 5	Mr. G. sells me Gds.	20	10	0
,, 7	I buy Jam of Mr. G.	10	5	0
,, 8	Mr. G. sells me Biscuits	30	0	0
,, 12	Mr. G. lends me	50	0	0
,, 18	I buy of him Cocoa-nuts	30	0	0
,, 27	Mr. G. sells me Gds.	80	0	0
,, 31	I pay Mr. G.	100	15	0

(8) Make out and balance Mr. Hudson's Account.

Aug. 1	Mr. H. owes me	500	0	0
,, 7	Mr. H. sells me Gds.	75	0	0
,, 9	Mr. H. buys Gds. of me	35	0	0
,, 10	Mr. H. pays me	100	0	0
,, 12	Mr. H. buys Gds. of me	93	0	0
,, 18	Mr. H. pays me	100	0	0
,, 21	Mr. H. buys Gds. of me	20	0	0
,, 22	Mr. H. pays me	100	0	0
,, 25	Mr. H. buys Gds. of me	87	0	0
,, 31	Mr. H. gives me Bill	200	0	0

(9) Make out and balance Mr. Ingram's Account.

			£	s.	d.
Sep.	1	Bt. Gds. of Mr. Ingram	100	0	0
,,	2	Bt. Gds. of Mr. Ingram	83	0	0
,,	3	Paid Mr. Ingram	57	0	0
,,	4	Bt. Gds. of Mr. Ingram	32	0	0
,,	5	Paid Mr. Ingram	66	0	0
,,	6	Paid Mr. Ingram	25	0	0
,,	7	Bt. Gds. of Mr. Ingram	93	0	0
,,	8	Paid Mr. Ingram	50	0	0
,,	9	Bt. Gds. of Mr. Ingram	33	0	0
,,	10	Bt. Gds. of Mr. Ingram	44	0	0

(10) Make out and balance Mr. Jolly's Account.

			£	s.	d.
Oct.	1	I owe Mr. Jolly	257	0	0
,,	4	I pay Mr. Jolly	200	0	0
,,	5	Mr. J. sells me Gds.	43	0	0
,,	7	I sell Mr. J. Gds.	38	0	0
,,	10	Mr. J. sells me Wine	71	0	0
,,	14	Mr. J. buys Gds of me	62	0	0
,,	16	Buy Wine of Mr. J.	29	0	0
,,	17	Mr. J. returns Gds.	4	0	0
,,	25	Buy Gds. of Mr. J.	96	0	0
,,	27	Sell Gds. to Mr. J.	400	0	0
,,	28	Recd. Cash of Mr. J.	150	0	0
,,	,,	Recd. Bill of Mr. J.	250	0	0
,,	31	Sell Gds. to Mr. J.	17	19	11

(11) Make out and balance Gds. Account.
(12) ,, ,, Cash Account. } see below.
(13) ,, ,, H. Blyth's Account.

			£	s.	d.
June	1	Cash in hand	300	0	0
,,	,,	Gds.	700	0	0
,,	,,	I owe H. Blyth	40	0	0
,,	2	Bt. Gds. of Reeve	650	0	0

			£	s.	d.
June	3	Sd. Gds. to Legerton	400	0	0
,,	5	Bt. Gds. for Cash	240	0	0
,,	6	Paid H. Blyth	20	0	0
,,	7	H. Blyth buys Gds. of me	400	0	0
,,	9	Sd. Gds. to H. Blyth	300	0	0
,,	10	Bt. Gds. for Cash	30	0	0
,,	11	Recd. of H. Blyth	645	0	0
,,	14	Mr. Byford sells me Gds.	208	0	0
,,	16	Bt. Gds. of Woollard	26	0	0
,,	18	Sd. for Cash Gds.	320	0	0
,,	19	Paid Mr. Woollard	20	0	0
,,	21	Mr. Blyth paid me	40	0	0
,,	22	Bt. Gds. for Cash	930	0	0
,,	23	Recd. of Legerton	338	0	0
,,	26	Paid Reeve	40	0	0
,,	29	Paid for T.E.	36	0	0
,,	,,	Sd. Gds. for Cash	300	0	0
,,	30	Paid for Wages	70	0	0
,,	,,	Paid for Rent	86	0	0
,,	,,	Profit on Gds (Enter on Dr. side)	280	0	0

(14) Make out and balance Goods Account.
15 ,, ,, Cash ,, } see below.
(16) ,, ,, Smith's ,, }

Mem.—Do not enter anything but "*Goods*" in "*Goods*" account.

April	1	Cash in hand	160	0	0
,,	,,	Gds.	500	0	0
,,	,,	John Smith owed me	70	0	0
,,	2	Sd. Gds. to Brown	200	0	0
,,	3	Bt. Gds. of Green	300	0	0
,,	4	Sd. Gds. for Cash	80	0	0
,,	5	Sd. Gds. to J. Smith	150	0	0
,,	7	J. Smith pays me	250	0	0
,,	9	Brown pays me	200	0	0

		£	s.	d.
April 10	Bt. Gds. for Cash	650	0	0
,, 12	Paid for T.E.	20	0	0
,, 14	Bt. Gds. of Mr. Black	130	0	0
,, 16	Bt. Gds. of Mr. White	60	0	0
,, 19	Sd. Gds. to J. Smith	110	0	0
,, 20	Sd. Watch to J. Smith	15	0	0
,, 21	Recd. of J. Smith	150	0	0
,, 22	Bt. Rice of J. Smith	90	0	0
,, 23	Sd. Gds. to Evans	30	0	0
,, 24	Paid J. Smith	50	0	0
,, 25	Paid Mr. Talbot	20	0	0
,, 26	Recd. of Mr. Turner	410	0	0
,, 27	Sd. Gds. for Cash	100	0	0
,, 28	Sd. Gds. to Mr. Smith	105	0	0
,, 29	Mr. Smith paid me	50	0	0
,, 30	Bt. Wine for Cash	220	0	0
,, 30	Paid for Rent	30	0	0
,, 30	Profit (Dr. side of Goods Account.)	130	0	0

(17) Make out and balance Robert Robinson's account for January, with ten entries, showing that "*He owes me*" £37 9s. 4d. on Jan. 31.

(18) Continue the above account for February, with ten additional entries, showing that "*I owe him*" £1010 10s. 6d. on Feb. 28.

(19) Make ten additional entries in Robinson's account for the month of March, showing at the close of the month that the account "balances."

(20) Look at the account below, and give a careful explanation of the meaning of *each* entry (one at a time).

Dr. *James Brown.* *Cr.*

		£	s.	d.			£	s.	d.
Jan. 1	To Balance...	150	0	0	Jan. 10	By Cash.....	200	0	0
Feb. 4	,, Goods....	[illegible]	0	0	Feb. 15	,, Do.....	[illegible]	0	0
,, 12	,, Do.....	50	0	0	,, 20	,, Do.....	100	0	0
		£500	0	0			£500	0	0
Mar. 1	To Goods....	[illegible]	0	0	Mar. 5	By Goods....	350	0	0
					,,	,, ,, Balance (car. down)	150	0	0
		£500	0	0			£500	0	0
Mar. 5	To Balance £150. (bt. down.	0	0						

APPENDIX.

(Practical Difficulties).

Anyone attempting for the first time to keep a set of Books with the accuracy necessary for Proving, will probably, even though he may have fairly grasped the principles of the science, meet with many difficulties in the *practical application* of those principles.

With a view to meet some of these difficulties, a few suggestions are appended in the form of question and answer.

1. How am I to ensure accuracy in my daily Cash balance ?

If your Cash sales are numerous keep a separate account of them in a Book used for that special purpose—*(Till Book)*. Enter every cash sale in this Book, putting the money that you take in a drawer or Till by itself. At the end of the day cast up the Till Book and compare the Total with the amount of Cash put aside. If you have more money than has been entered in the Book you must make an entry of the difference, *so as to make the Total of the Till Book agree with the amount of Cash received for*

Goods Sold. You may now enter this amount in Cash Book and in Goods Book.

TILL BOOK.

JANUARY 10TH, 1878.	£	*s.*	*d.*
(Particulars may be entered here if desired).		1	0
	1	1	0
		2	7
		8	3
		1	6
		2	6
		3	0
	&c.	&c.	&c.
Total	1	19	10
The amount in the Till is however £2 1*s.* 4*d.* I therefore enter "*Sundries*"		1	6
Total ..... £	2	1	4

Transferred to Cash Book (Inwards) and Goods Book (Outwards).

In the same way, if you are in the habit of paying away a number of small sums as Trade Expenses, set aside £5 or £10 in the morning and make your payments from this fund, entering them in a book called "*Petty Cash Book*," and

agreeing the Total (as you do the *Till Book*) before transferring it to the Cash Book.

2. If Cash Account comes wrong in spite of my best efforts to the contrary does that make it impossible for me to Prove?

Not at all. Nothing can hinder your proving but an inequality between your Debits and Credits.

If Cash is *over*, make an entry on the Dr. side of Cash Book thus:

Error Account Cr. By Cash over (so much).

If Cash is *short* enter on the Cr. side of Cash Book thus:

Error Account Dr. To Cash short (so much).

These entries must be posted to a "nominal" account in the Ledger headed "ERROR ACCOUNT," and this account must be balanced, and the balance transferred to P. & L. at the end of the year.

This method of dealing with Cash Errors involves a principle worth remembering: that *If* ANY *account (Real, Personal or Nominal), shows a Gain or Loss—the balance of such Gain*

or Loss must be transferred to P. & L. before closing the books.

3. I am in the habit of granting a large number of Discounts and abatements. Is it necessary to make a Journal entry of each one?

No. If Discounts are numerous enter them in a separate column in the Cash Book, as in the following example.

CASH INWARDS BOOK.

Ledger Folio.		Discounts.			Cash.		
	To Mr. Jones, Cr.		5	0	5	0	0
	,, E. Amberley, Cr. ...			2	0	10	0
	,, Jackson and Co. Cr.		1	3	2	5	0
	,, W. Wilde & Son Cr.	1	5	0	23	15	0
	Cash, Dr.				31	10	0
	Discount account Dr.	1	11	5			

Post as follows :

1. The items to the opposite side.
2. The Totals to the same side.

EXAMPLE.

Post the first item thus :—

Dr. *Mr. JONES.* *Cr.*

	£	s.	d.
By Cash	5	0	0
,, Discount	0	5	0

Post each of the other items (Amberley—Jackson—Wilde) to the **Cr.** side of their respective accounts, because they come from the **Dr.** side of Cash Book.

Post the *Totals* £31 10*s.* 0*d.* and £1 11*s.* 5*d.* to the *Dr.* of Cash and Discount accounts respectively.

4. I make most of my payments by cheque. Is it necessary to Journalise all these?

Payments made by cheque can be entered in the Cash Book at once by using two columns, one for Bank and one for Cash.

CASH BOOK, WITH BANK COLUMNS.

Ledger Folio.	*January 10th, 1879.*	Cash.			Bank.		
		£	*s.*	*d.*	£	*s.*	*d.*
	R. Sampson				17	2	10
	Trade Expenses Wages	3	5	0			
	E. Carter and Co.				5	4	0
	Williams Brothers				26	10	0
	Goods—Cash Purchases	10	0	0			
	Cash acct. Cr. By Paymts.	13	5	0			
	Bank acct. Cr. ,, do.				48	16	10

The example given represents only the Cr. side of the Cash Book, or (if two Books are kept), the "Cash Outwards Book."

When Cash is drawn from Bank or paid into Bank, an entry must be made on *both* sides of this Book; on one side in the Cash column, and on the other side in the Bank column.

5. Is it necessary that the casting of the Sold Book (or Day Book), should be correct to a penny? If so how is this perfect accuracy to be ensured.

One of the best ways of checking the casting is to use two £ *s. d.* columns—the inner for each separate item, and the outer for the total of each debit *(see example over leaf)*. It is the latter alone that need be posted, but the casting of the two columns ought of course to agree page by page, and this agreement *must* be arrived at, before transferring the total to Goods account.

DAY BOOK.

FOLIO	DATE.	NAME AND PARTICULARS.		£	s.	d.	£	s.	d.
	1877								
	Jan. 1	R. Sewell, High Street,							
		2 lbs. of Coffee @	1/4		2	8			
		2 ,, Black Tea @	2/8		5	4			
		5 ,, Currants @	-/5		2	1			
		12 ,, Sugar @	-/3½		3	6		13	7
	2	W. Henley, Peckham,							
		3½ lbs. Bacon @	-/10		2	11			
		6 ,, Treacle @	-/3		1	6			
		24 ,, Loaf Sugar @	-/6		12	0			
		2 ,, Mixed Tea @	3/-		6	0	1	2	5
	3	James Husk,							
		3 lbs. Mixed Biscuits @	-/8		2	0		2	
	,,	S. Morris,							
		6 Tins Australian @	3/3		19	6			
		1 Bot. C. F. Jelly @			2	6	1	2	0
		Carried over to next folio..... £		3	0	0	3	0	0

6. My business consists of several distinct branches, and I want to know the profits on each. Is it necessary to Journalise or make a double posting of every transaction?

Mr. A. is a Bookseller and Stationer. We will suppose that he sells both new and second-hand books, and that he wishes to classify his gains under the three heads of

New Books,
Second-hand Books,
Stationery,

This may of course be done by Journalising, but the following example will show the *easiest* method.

The column for Totals has been purposely put near to the name for convenience in posting. The Invoice Book would be kept in the same way, both books being cast up at the end of the month and totals for each column carried to their respective accounts in the Ledger. Then, by balancing these accounts at the end of the year (according to the Rules on page 45), the profit on each branch of the business is very readily ascertained.

Folio.	Date.	Name and Address.	Total.		
	1878		£	s.	d.
	Oct. 12	Chas. King, Esq.		19	
		14, High Street.			
	,, 12	R. Looker, Bristol..		15	6
	,, 12	W. Meyer, ...		4	
		Royal Crescent.			
	,, 13	G. Passmore	1	4	
		F. Cressall, ...	1	5	6
		Trinity College			
	,, 13	G. Bury	1	17	6
	,, 14	H. Haynes, Swansea		1	2
			£ 6	6	8

Description of Goods.	*New Books.* £	s.	d.	*Second-hand.* £	s.	d.	*Stationery.* £	s.	d.
Note Paper and Envelopes								2	6
Macaulay's Essays		6							
Hallam's Middle Ages					10	6			
Bain on the Senses					10				
Mill's Political Economy					3				
Anthon's Horace					2	6			
Note Paper..								2	6
Penholder -/6. Pencil 1/-								1	6
Farrar's Life of Christ, 2 vols.	1	4							
Liddle and Scott, 4to					18				
Xenophon's Anabasis					1				
Euripides Hecuba					2	6			
Note 1/-. Ink 1/-								2	
Scribbling 1/-. Blotting 1/-								2	
Smith's Latin Lexicon, half russia	1	11	6						
Arnold's Latin Prose					2	6			
Virgil's Æneid, 12mo.					3	6			
De Senectute and Postage					1	2			
New Books a/c. Cr. £3 1 6	3	1	6						
Second-hand a/c. Cr. £2 14 8				2	14	8			
Stationery a/c. Cr. £ 10 6								10	6
£6 6 8									

7. There are a good many Small Debts that I have never been in the habit of posting. I have simply entered them in the Day Book and crossed them off when paid. This plan saves considerable trouble. Would it interfere with Proving?

Everything must be posted if you wish to prove your books. It is *not necessary* however to open *a separate account for each person.* All the advantage of systematic Book-keeping may be secured, and nearly all the trouble of the usual system saved by the following method of posting "Small Debts."

We will suppose that all the entries in the last example are of the nature referred to: that is to say, that there are no accounts already open to these names, and that you do not wish to open separate accounts to any of them.

Open an account in the Ledger headed "Sundry Debts," and post them all to this account.

Dr. SUNDRY DEBTS. *Cr.*

		£	s.	d.
Oct. 12	King	0	19	0
,, ,,	Looker	0	15	6
,, ,,	Meyer	0	4	0
,, 13	Passmore.....	1	4	0
,, ,,	Cressall	1	5	6
,, ,,	Bury	1	17	6
,, 14	Haynes	0	1	2

The important thing to remember in this method of posting is that when the accounts are paid you must credit—not the party paying the cash, but Sundry Debts account. Thus, if Looker paid his debt of 15*s.* 6*d.*, you would make the Cash Book entry—

"Sundry Debts (Looker)" 15*s.* 6*d.*

not

"R. Looker"..... 15*s.* 6*d.*

If small debts are very numerous it might be advisable to open an account for each letter of the alphabet, as in the example given on page 197, where provision is made for the address and for the possibility of a second transaction with the same party before the first is paid for.

Moreover, by filling in only those amounts that are paid for in the outer column, it is easy to distinguish at a glance between paid and

unpaid debts, though, of course, all amounts must be filled out and the accounts balanced at the end of the year. The figures below the line denote the folio of the Sold Book.

HINTS AND MAXIMS

FOR

THOSE WHO ARE ESSAYING TO PROVE THEIR BOOKS

IN REAL LIFE.

1. Never make an original entry in the Ledger.

2. *Check* all your castings.

3. *Check* all amounts carried from one folio to another.

4. When an account is settled, rule it off and close it *immediately*.

5. When statements of account are sent *in to* you, compare them with your Ledger without delay.

6. Before statements of account are sent *out* by you, compare them with your Ledger.

7. Keep your postings close up.

8. Check all your postings by calling over.

9. Make no entry in the Balance Sheet that is not the Balance of some account in the Ledger.

10. Let Debts Payable and Receivable be collected from the Ledger by two persons working independently, and compared and agreed before taken as correct.

See also "How to Detect Errors" (page 75).

Dr. **SUNDRY DEBTS "A."** *Cr.*

			£	s.	d.
Feb. 4	R. Abbott, Newcastle.....	1/- 2/3 42 47			
5	D. Abel, Cambridge	2/6 43			
,,	R. Atkins, 29, Upper St. .	1/2/- 5/6 5/- 43 57 58	1	12	6
6	Allen and Co., Norwich ...	3 6 44		3	6
18	E. Adams, Newmarket ...	15 9 44			
Mar. 3	J. R. Anderson, Brompton	5 8 45			
9	H. Alston, Queen's Road...	2/2/- 46	2	2	
10	Armstrong Broths., Chelsea	7/6 48			
,,	W. Amos, Leicester	3/2 49			
27	J. Archer, Liverpool	12/- 1/- 49 51		13	

			Folio	£	s.	d.
Feb. 7	R. Adkins	Cash 1/11/- Dist. 1/6	117	1	12	6
Mar. 19	H. Alston	,, 2/-/- ,, 2/-	128	2	2	
,, ,,	J. Allen & Co.	,,			3	6
April 3	J. Archer	,, 12/- ,, 1/-	131		13	

QUESTIONS ON LESSONS I.—IV.

1. What is the chief thing taught in Book-keeping?
2. Which is the Dr. side of an account?
3. What does Dr. stand for?
4. What does Cr. stand for?
5. What is meant by the "Balance" of an account?
6. Give the first rule for balancing an account.
7. Where should this be done?
8. Give the second rule.
9. How is this done?
10. Give the third rule.
11. Where should this be done?
12. What is the effect of doing this?
13. Give the fourth rule.
14. Say exactly where this is to be done.
15. What temptation to "save trouble" occurs at this point?
16. How will you know that you have made no mistake thus far?
17. Give the fifth rule.
18. What kind of lines should be used?
19. Give the sixth rule.
20. Where to?
21. Why is the balance brought down?
22. Suppose there is no room to bring the balance down, what is to be done?
23. When there is no balance, what is done?
24. What are real accounts?
25. What do you find on the Dr. side of Goods Account?
26. Why are they put on the *Dr.* side?
27. What comes on the Cr. side?
28. Give a reason.
29. What account contains Receipts and Payments?
30. On which side are these respectively entered?
31. What does the Balance of Cash Account represent?
32. How can the accuracy of this Balance be easily tested in Real Life?
33. Which is the "He owes me" side of a Personal Account?
34. What *are* Personal Accounts?
35. What is (usually) the first entry in a Personal Account?
36. What does this mean?
37. When is Mr. Smith said to be my "Creditor"?
38. In making out "*Pepper Account*" what question do you ask?
39. In making out "*Mr. Thomson's Account*" what question do you ask?
40. Which side of "*Cash* Account" is never lighter than the other, and why?

ANSWERS TO QUESTIONS ON PAGE 198.

1. How to Prove the Books.
2. The left-hand side.
3. Debtor.
4. Creditor.
5. The difference between the two sides.
6. "*Add up both sides.*"
7. Anywhere *except* in the book.
8. "*Find the difference.*"
9. By subtracting the smaller amount from the greater.
10. "*Put it down.*"
11. On the *lighter* side of the account.
12. It makes the two sides equal.
13. "*Add up both sides* again."
14. In the book—and on the same line.
15. The temptation to copy the totals from the previous casting on paper.
16. The two totals will agree.
17. "*Rule off.*"
18. Thin, straight, even, and double lines close together.
19. "*Bring the balance down.*"
20. To the opposite side.
21. To begin the account for the next period.
22. Open a new account and carry it there.
23. Add up, rule off, and close the account.
24. Accounts of Things.
25. A list of all *Purchases.*
26. Because Goods that are purchased come IN.
27. A list of all *Sales.*
28. Because Goods sold go OUT.
29. Cash Account.
30. Receipts on the Dr. side; Payments on the Cr.
31. The money actually in my possession.
32. By counting the cash!
33. The Dr. side.
34. Accounts of Persons.
35. "*To Balance*" (or "*By Balance*").
36. That the Person named at the head of the account owes me (or that I owe him) so much money.
37. When "*I owe him*" money.
38. Does the *Pepper* come IN or go OUT?
39. Does Mr. Thomson RECEIVE (anything), or GIVE (anything)?
40. The Dr., because you cannot pay away *more* than you receive.

ANSWERS TO QUESTIONS ON PAGE 201.

1. By making "*Capital Account*" and "*Balance Sheet*" agree.
2. Three.
3. Real, Personal, and Nominal.
4. "What am I worth?"
5. "*Capital Account.*"
6. "*Net Profit*" or *Income.*
7. Private or Personal Expenses.
8. Capital.
9. "What am I worth?"
10. *The difference between Assets and Liabilities.*
11. Cash, Bank, Goods, Debts Receivable.
12. Debts that I owe to other people.
13. On the "*Assets*" side.
14. Neither: for it is neither an *Asset* nor a *Liability.*
15. Neither. "*Bad Debts*" are *Losses.* (If you feel doubtful on this point, ask the next grown-up person you see.)
16. Profit and Loss Account.
17. Gains on the Cr. side. Losses on the Dr.
18. Goods Account.
19. P. and L.
20. *Enter value of Goods unsold on Cr. side.*
21. Balance.
22. Carry Goods in hand *down.*
23. Carry Gross Profit *away.*
24. Trade Expenses. Bad Debts. Discounts.
25. Goods Account.
26. One is the balance of Goods unsold, and the other the balance (Profit (or sometimes of Loss).
27. Money spent for business purposes, for which nothing substantial is received in exchange.
28. B.P. means money I owe. B.D. means money other people owe me but are never going to pay me!
29. Net Profit.
30. Capital Account.
31. Because it belongs to me, and "*Capital*" is *my own* account.
32. "Net Profit," = "*Gross Profit*" less "*Losses.*"
33. When his Assets exceed his Liabilities.
34. Discount.
35. Carry it down.
36. To begin the next year (or month).
37. Find the value of Goods unsold.
38. By "*Taking Stock.*"
39. "*Office Furniture.*"
40. Property of any kind.

QUESTIONS ON LESSONS V.—IX.

1. How do you **Prove your Books?**
2. How many kinds of accounts are there?
3. Name them.
4. What question does Capital Account answer?
5. What account shows my "earnings" and "spendings"?
6. What are my earnings sometimes called?
7. What do you mean by spendings?
8. What is the balance of a "Balance Sheet" called?
9. What question does it answer?
10. Define "*Capital.*"
11. Name four of the principal "*Assets.*"
12. What are "*Liabilities*"?
13. On which side of a Balance Sheet would you put *Goods?*
14. On which side would you place "*Gross Profit*"?
15. On which side would you place "*Bad Debts*"?
16. What account contains "Gains" and "Losses"?
17. On which side of the account are they found?
18. Where does "*Gross Profit*" come from?
19. Where is it taken to?
20. Give the first rule for balancing Goods Account.
21. Give the second.
22. Give the third.
23. Give the fourth.
24. Enumerate the chief heads under which **Losses** come.
25. What account may be said to have *Two Balances?*
26. Distinguish between them.
27. Define "*Trade Expenses.*"
28. Distinguish between "*Bad Debts*" and "*Debts Payable.*"
29. What is the balance of P. and L. called?
30. Where is it carried to?
31. Why?
32. Distinguish between "*Net Profit*" and "*Gross Profit.*"
33. When is a man said to be "*Solvent*"?
34. What "*Loss*" sometimes appears as a "*Gain*"?
35. What do you do with the Balance of Capital Account?
36. What for?
37. What must be done *before* Goods Account can be balanced?
38. **How is this found in Real Life?**
39. I buy a new desk for my office. Under what account must I enter it?
40. What are Assets?

QUESTIONS ON LESSONS X.—XII.

1. What is the first thing to be done in a Book-keeping Examination Paper?
2. What is the first thing to do if you have to start a set of Books in Real Life?
3. How many accounts must be opened to begin with?
4. In what book are they "*opened*"?
5. On which side of the account are "*opening*" entries put?
6. In how many accounts is each Transaction entered?
7. Name the first rule for entering Transactions.
8. The second.
9. The third.
10. The fourth
11. The fifth.
12. What question do you ask for Real accounts?
13. For Personal accounts?
14. For Nominal accounts?
15. What is the First Step to be taken in "proving"?
16. Is this really necessary?
17. What is the Second Step?
18. How is this done in Real Life?
19. What is the Third Step?
20. How many things have to be done to find this out?
21. What is the first account to balance?
22. What for?
23. The second?
24. What for?
25. The next?
26. What for?
27. The last?
28. What does this last Balance tell you?
29. What is the Fourth Step?
30. What accounts need not be balanced?
31. What balances are entered as assets?
32. If you do not prove, what is the *first* thing to do?
33. How can you always detect your error if all other means fail?
34. What do you mean by "Writing an account off" as a bad Debt?
35. What is "Composition"?
36. Where is "Composition" *not* to be entered?
37. Where is "Discount" *not* to be entered?
38. When you have to find Value of Stock, how should Goods account be made out?
39. Which column should be balanced first, and why?
40. What should then be done?

ANSWERS TO QUESTIONS ON PAGE 202.

1. Make out a Balance Sheet.
2. Make out a Balance Sheet.
3. As many as there are items in the Balance Sheet.
4. The Ledger.
5. Assets on the Dr. side. Liabilities on the Cr.
6. Two.
7. Think: which are the two accounts?
8. Think: which is the one that { Comes IN? / Receives? / Loses? }
9. Think: which is the one that { Goes OUT? / Gives? / Gains? }
10. Enter on the Dr. side of the Receiving account.
11. Enter on the Cr. side of the Giving account.
12. Comes IN or Goes OUT?
13. Receives or Gives?
14. Loss or Gain?
15. To make a Trial Balance.
16. Not if sufficient care is taken.
17. To find the value of unsold Goods.
18. By "*Taking Stock.*"
19. To find what you are worth (by Capital account)
20. Four.
21. Goods Account.
22. To get your Gains (or Gross Profit).
23. Trade Expenses, Bad Debts, and Discounts.
24. To get your Losses.
25. P. and L.
26. To find your **Net Profit.**
27. Capital Account.
28. What you are now worth.
29. To find what you are worth (by Balance Sheet).
30. Personal accounts, with entries on one side only.
31. Debit Balances.
32. FIND BY HOW MUCH YOU DIFFER.
33. By ticking off (see page 76).
34. Balancing the account, and carrying the Balance to Bad Debts account.
35. That *part* of a debt which is paid in lieu of the whole.
36. In "Bad Debts" account.
37. In Cash account.
38. With an inner column for the quantity.
39. The Quantity Column, in order to find the quantity left on hand.
40. Calculate the value of that quantity at cost price.

ANSWERS TO QUESTIONS ON PAGE 205.

1. By a Journal.
2. A Transfer Entry.
3. By Goods Book and Cash Book.
4. Day Book and Invoice Book.
5. Sales.
6. Purchases.
7. To the *Cr.* side of Goods account.
8. To the *Dr.* side of Goods account.
9. Transferring entries from one book to another.
10. A written promise to pay a certain sum of money on a certain date.
11. A list of Goods (with prices) sold at one time.
12. "Invoices" used to be called "Bills of Parcels."
13. A written acknowledgment given for money received.
14. "*Promissory note*," and "*Draft*" (or acceptance).
15. Both.
16. The time *for* which the bill is drawn.
17. Three additional days allowed by law after the due date.
18. Writing one's name on the *back* of a bill.
19. Writing one's name on the *face* of a bill.
20. Pay the money.
21. On the *due* date.
22. "Accepted, payable at —— Bank."
23. Three months after date.
24. Pay to me or my order.
25. The sum of one hundred pounds.
26. For value received.
27. The drawer's (Smith's).
28. The acceptor (Jones).
29. Those which I have accepted.
30. Receiving Cash for it (less Discount) before it is due.
31. Not paying it when due.
32. "*Honouring*," "*meeting*," or "*retiring*" the bill.
33. Granting a new bill in exchange for one now due.
34. It finds its way back to the acceptor.
35. Neither Debit nor Credit the Man.
36. A stamped paper ordering a Banker to pay a certain sum of money on demand.
37. They should be "paid in" to Bank immediately.
38. Debit the Man; Credit the Bill.
39. Cash (or Bank) *Dr.* and Discount *Dr.* —— B. R. *Cr.*
40. The obligation to pay the money when due.

QUESTIONS ON LESSONS XIII.—XV.

1. What is the usual way of preparing entries for the Ledger?
2. When a Journal entry is made of a Balance carried from one account to another, what is it called?
3. What is the second method of preparing entries for the Ledger?
4. What *two* books are used instead of *Goods Book?*
5. What Transactions are entered in the Day Book?
6. What in the Invoice Book?
7. Where is the Total of the Day Book posted?
8. The Total of the Invoice Book?
9. What is "*Posting*"?
10. What is a Bill?
11. What is an Invoice?
12. What are Bills of Parcels?
13. What is a Receipt?
14. In what two *forms* are Bills made out?
15. Is a Promissory note a Bill payable or a Bill Receivable?
16. What is the "*Term*" of a bill?
17. What are "*Days of Grace*"?
18. What do you mean by "*endorsing*" a bill?
19. What do you mean by "accepting" a bill?
20. What will the acceptor have to do?
21. When?
22. Give the words written by the "acceptor."
23. *Smith draws on Jones at three months for* £100. Give the first four words in the body of the bill.
24. The next six words.
25. The next six.
26. The last three.
27. Whose name would appear at the foot?
28. Who would have to pay the above bill?
29. What bills do I call "*Bills Payable*"?
30. What is "discounting" a bill?
31. What do you mean by "dishonouring" a bill?
32. What is "*paying a bill*" called?
33. What do you mean by "renewing" a bill?
34. What becomes of a "*Bill*" at last?
35. What caution must be observed in entering the payment of a Bill?
36. What is a cheque?
37. What should be done with cheques received by you?
38. How do you enter a Dishonoured Bill?
39. How do you enter the Discounting of a Bill?
40. What has the "acceptor" of a bill really "accepted"?

MISCELLANEOUS QUESTIONS ON JOURNALISING.

1. Sold Goods for Cash.
2. Bought Goods for Cash.
3. Sold Goods to J. Smith.
4. Bought Goods of J. Smith
5. Sold Goods to J. Smith *for Cash.*
6. Bought Goods of J. Smith for Cash.
7. Paid J. Smith £100.
8. Received of J. Smith £100.
9. and 10. Paid J. Smith £100, *less* Discount £5.
11. and 12. Received of J. Smith £95, and allowed him Discount £5.
13. and 14. Received Composition of J. Smith £4. (Note. J. Smith owed me £10.)
15. Trade Expenses.
16. Drew cheque for Trade Expenses.
17. Drew cheque for Private Expenses.
18. Drew for Private Expenses.
19. Drew from Bank.
20. Paid into Bank.
21. Bought new House for Cash.
22. Took Goods out of Stock for Office use.
23. Rent due to Landlord.
24. Paid rent due this day.
25. Paid rent due last month.
26. Drew on J. Smith.
27. J. Smith drew on me.
28. Received J. Smith's acceptance.
29. Gave J. Smith my Pro. note.
30. Smith pays bill due this day.
31. Bank retires my acceptance to Smith.
32. Discounted Smith's acceptance.
33. Smith's bill returned dishonoured.
34. Gave Jones Smith's acceptance in part payment.
35. Smith returns Goods damaged in transit.
36. Paid my footman's wages.
36. Cash short this day 3*s.* 6*d.*
37. Interest on Capital.
38. Clerk's Salary due this day.
39. Wages of operatives paid.
40. Wear and tear of Office Furniture.

ANSWERS TO QUESTIONS ON PAGE 206.

1. Cash Dr. to Goods Cr.
2. Goods Dr. to Cash Cr.
3. Smith Dr. to Goods Cr.
4. Goods Dr. to Smith Cr.
5. Cash Dr. to Goods Cr.
6. Goods Dr. to Cash Cr.
7. Smith Dr. to Cash Cr.
8. Cash Dr. to Smith Cr.
9. Smith Dr. to Cash Cr. £95
10. Smith Dr. to Discount Cr. £5
11. Cash Dr. to Smith Cr. £95
12. Discount Dr. to Smith Cr. £5
13. Cash Dr. to Smith Cr. £95
14. Bad Debts Dr. to Smith Cr. £5
15. T. E. Dr. to Cash Cr.
16. T. E. Dr. to Bank Cr.
17. Capital Dr. to Bank Cr.
18. Capital Dr. to Cash Cr.
19. Cash Dr. to Bank Cr.
20. Bank Dr. to Cash Cr.
21. House Dr. to Cash Cr.
22. T. E. Dr. to Goods Cr.
23. T. E. Dr. to Landlord Cr.
24. T. E. Dr. to Cash Cr.
25. Landlord Dr. to Cash Cr.
26. B. R. Dr. to Smith Cr.
27. Smith Dr. to B. P. Cr.
28. B. R. Dr. to Smith Cr.
29. Smith Dr. to B. P. Cr.
30. Cash Dr. to B. R. Cr.
31. B. P. Dr. to Bank Cr.
32. Cash Dr. / Discount Dr. } to B. R. Cr.
33. Smith Dr. to B. R. Cr.
34. Jones Dr. to B. R. Cr.
35. Goods Dr. to Goods Cr.
36. Capital Dr. to Cash Cr.
37. P. and L. Dr. to Capital Cr
38. T. E. Dr. to Clerk Cr.
39. Goods Dr. to Cash Cr. (Because the value of the Goods is increased.)
40. P. and L. Dr. to Office Furniture Cr.

ANSWERS TO EXERCISES ON LESSONS II.—X.

Lesson II.

	£	s.	d.	£	s.	d.
1.	36	0	0 Dr.			
2.	180	12	0 Dr.			
3.	197	2	11 Dr.			
4.	325	15	0 Dr.			
5.	32	10	8 Cr.			
6.	297	16	7 *Totals.*			
7.	83	0	0 Dr.			
8.	59	0	0 Dr.			

Lesson III.

1.	200	13	11 Dr.
2.	172	15	9 Dr.
3.	84	3	6 Dr.
4.	37	13	3 Dr.
10.	136	0	9 Dr.
11.	140	0	0 Dr.
12.	512	0	0 Dr.
13.	203	0	0 Dr.
14.	10	0	0 Dr.
15.	197	0	0 Dr.
16.	273	0	0 Dr.
17.	735	0	0 Dr.

Lesson IV.

1.	10	0	0	Cr.
2.	80	0	0	Dr.
3.	50	0	0	Dr.
4.	17	18	0	Dr.
5.	The account balances. *Totals*		279	0 0
6.	100	0	0	Dr.
7.	63	0	0	Cr.
8.	760	0	0	Dr.
9.	192	0	0	Cr.
10.	182	0	1	Cr.
11.	1544	0	0	Dr.
12.	471	0	0	Dr.
13.	5	0	0	Cr.
14.	995	0	0	Dr.
15.	410	0	0	Dr.
16.	40	0	0	Cr.

Lesson V.

		£	s.	d.
1.	...	372	8	10
2.	... Spent	180	10	0
5.	...	700	5	7
6.	...	358	3	10
7.	...	427	7	10
8.	...	1861	16	1
9.	...	385	0	3

Lesson VI.

1.	Solvent by	427	7	10
2.	Solvent by	1861	16	1
3.	Solvent by	385	0	3
4.	No. . .	151	18	5
7.	*Totals* .	660	0	0
9.	*Totals* .	734	0	0

Lesson VII.

1.	Net Profit	1002	16	2
2.	Net Profit	849	17	8
3.	Net Profit	158	18	3

Lesson VIII.

1.	86	18	0	
2.	123	12	2	
3.	300	0	0	Profit on Leather.
	180	0	0	Loss on Hops.
	120	0	0	Net Profit.
4.	1191	9	5	Net Profit.

Lesson IX.

1.	195	14	3	Trade Expenses.
	47	5	0	Bad Debts.
	3	18	11	Discounts.
2.	27	8	0	Trade Expenses.
	4	6	5	Discount (*Gain*).
	22	13	4	Bad Debts.
3.	180	4	11	Net Profit.
4.	47	5	0	Trade Expenses.
	20	10	8	Bad Debts.
	11	19	11	Discount (*Loss*).
5.	224	1	0	Net Profit.

Lesson X.

1.	1243	9	6	Capital.
2.	721	13	7	Capital.
3.	396	9	2	Capital.
4.	1	8	0½	Capital.

ANSWERS TO TEST EXERCISES.

	Capital.			N. P.			Cash.			
	£	s.	d.	£	s.	d.	£	s.	d.	
A.	310	0	0	10	0	0	130	0	0	
B.	172	0	0	15	0	0	85	0	0	
C.	343	0	0	3	0	0	273	0	0	
D.	619	0	0	29	0	0	96	0	0	
E.	589	0	0	57	0	0	88	0	0	
F.	415	12	8	13	2	10	7	10	7	
G.	588	1	2	22	0	0	171	15	0	
H.	268	9	10	28	11	2	88	0	4	
I.	1174	0	0	104	0	0	124	0	0	
J.	1108	6	8	0	0	1	55	6	8	
K.	47	15	9	72	9	5	88	12	9	
L.	47	16	9	57	16	9	80	8	0	
M.	870	7	0	16	4	0	126	7	0	
N.	1544	19	11	15	19	11	253	2	0	
O.	(Deficit) 2	13	10	10	9	1	25	2	9	
P.	993	0	10	58	13	11	228	13	3	
Q.	1390	0	11	Loss 0	14	5	430	8	5	
R.	264	17	0	1	17	0	148	5	0	
S.	1068	6	8	5	1	8	71	12	6	
T.	1398	17	2	71	8	2	73	9	10	
U.	1283	0	0	31	0	0	163	0	0	
V.	456	1	0	19	17	3	104	4	8	
W.	1274	16	4	Nil. 0	0	0	320	4	10	
Y.	2265	8	9	90	8	9	1665	8	9	
A 2	2275	0	0	225	0	0	1975	0	0	
B 2	3200	0	0	150	0	0	1160	0	0	Bank.
C 2	2155	0	0	80	0	0	555	0	0	
D 2	2338	0	0	181	0	0	68	0	0	
E 2	3284	0	0	527	0	0	1873	0	0	Bank.
F 2	1559	0	0	34	0	0	273	0	0	
G 2	2050	0	0	Loss 82	0	0	531	0	0	
H 2	2685	0	0	183	0	0	142	0	0	
I 2	5966	0	0	300	0	0	1970	0	0	
J 2	4700	10	0	Loss 57	10	0	552	10	0	Bank overdwn.
K 2	4648	0	0	133	0	0	5033	0	0	
L 2	8483	0	0	431	0	0	4070	0	0	
M 2	1959	0	0	63	0	0	2270	0	0	
N 2 Jan. 31	4675	0	0	245	0	0	475	0	0	
Feb. 28	4970	0	0	315	0	0	1620	0	0	
O 2 Jan. 31	2856	0	0	93	0	0	—			
Feb. 28	2825	0	0	Loss 19	0	0	23	0	0	
P 2	7030	0	0	195	0	0	30	0	0	

KEY TO THE
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	Capital.			Cash.			Bank.		
	£	s.	d.	£	s.	d.	£	s.	d.
Feb. 1	2242	2	1	587	15	9	61	5	4
Mar. 1	2424	6	9	440	8	10	61	5	4
Apr. 1	2427	1	9	40	5	6	1461	5	4
May 1	2563	13	8	908	15	10	1461	5	4
June 1	2813	13	8	0	10	10	2261	5	4
July 1	2842	11	2	460	10	10	570	14	3
Aug. 1	3092	11	2	48	4	3	570	14	3
Sept. 1	2974	3	1	346	14	3	570	14	3
Oct. 1	2894	18	5	235	14	3	570	14	3
Nov. 1	3241	0	6	2160	3	9	570	14	3
Dec. 1	3389	6	5	8	3	7	2570	14	3
„ 31	3300	0	0	0	0	0	3300	0	0

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